

Variations of Practising Corporate Social Responsibility in a context with Strong Islamic Beliefs

Petya Milhaylova Koleva

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**VARIATIONS OF PRACTISING CORPORATE
SOCIAL RESPONSIBILITY IN A CONTEXT WITH
STRONG ISLAMIC BELIEFS**

by

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A thesis submitted to the University of Bedfordshire in partial fulfilment of the
requirements for the degree of Doctor of Philosophy

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ABSTRACT

Corporate social responsibility (CSR) is a global phenomenon receiving increased interest from scholars and professionals, resulting in a significant body of literature on and for its use. However, the literature generated around CSR is often criticized for being biased towards the Western countries and their contextual specifications. This study suggests that the contextual dynamics associated with developing countries require careful examination of the phenomenon within the realm of its implementation, especially when executed in a region with strong religious dominance.

Using a constructive grounded theory strategy, sixty-three intensive interviews were conducted with directors of for-profit, governmental and non-governmental organisations. Data from secondary sources were utilised as well. The information was rigorously analysed through a systematic process of coding, categorisation and theoretical construction to identify results grounded in respondents' voice and experience with the phenomenon of investigation.

These results indicate that the specification of the Middle Eastern region exerts significant pressure on the CSR activities of the organisations by resulting in the implementation of four distinct approaches to CSR. Largely, organisations are driven by coercive pressures to become involved in CSR, as their forms of CSR activity are used to mitigate contextual dynamics associated with the local environment. As result of these dynamics, stakeholder power obtains different dimensions that translate to community-focused forms of CSR activity. The findings also suggest that contrary to the Western CSR approach closely aligned with traditional corporate practice, the Middle Eastern practice of CSR is largely shaped by religious postulates identified in Islam. That translates to individual-level motivations to become involved in CSR that consequently shape organisational behaviour and CSR conduct.

This study contributes to expanding the theoretical scope of Western CSR literature, literature on CSR in developing and Middle Eastern countries, as well as in relation to stakeholder theory. Also, the study makes a significant contribution to the practice of CSR in the examined region by identifying potential areas of improvement and development for practitioners.

DECLARATION

I declare that this thesis is my own unaided work. It is being submitted for the degree of Doctor of Philosophy (PhD) at the University of Bedfordshire.

It has not been submitted before for any degree or examination in any other University.

Name of candidate:

Signature:

Petya Mihaylova Koleva

Date: 28 August, 2015

I dedicate this work to my mother.

I pray to God to have you next to me in every coming life.

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LIST OF ABBREVIATIONS

BSR	Business for Social Responsibility
CEO	Chief Executive Officer
CC	Core Category
CGT	Classic Grounded Theory
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
EC	European Commission
EM#	Survey respondent (with number) from the United Arab Emirates
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GO	Governmental Organisation
GT	Grounded Theory
GRI	Global Reporting Initiative
IFI	Islamic Financial Institution
ISO	International Organisation for Standardization
QDAS	Qualitative Data Analysis Software
KSA	Kingdom of Saudi Arabia
MENASA	Middle East North Africa and South Asia
MENACA	Middle East North Africa and Central Asia
MNC	Multi-National Corporation
NGO	Non-Governmental Organisation
OM#	Survey respondent (with number) from the Sultanate of Oman
PLC	Publicly-Listed Company
PR	Public Relations
CC	Corporate Communications

RQ	Research Question
S	Sustainability
SA#	Survey respondent (with number) from the Kingdom of Saudi Arabia
SME	Small and Medium Enterprise
ST#	Substantive Theory (with number)
SVC	Social Value Creation
TBL	Triple Bottom Line
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
USA	United States of America
WBCSD	World Business Council for Sustainable Development

GLOSSARY

<i>Adl</i>	justice
<i>Al-din</i>	(the) religion/faith
<i>‘Aquidah</i>	belief and faith
<i>Akhlaq</i>	morality and ethics
<i>Amanah</i>	a moral responsibility of fulfilling one’s obligations.
<i>Auqaf</i>	a voluntary act of charity
<i>Demokratos</i>	a form of political governance held by the people
<i>Demos</i>	people
<i>Ehsan</i>	work as a form of worship
<i>Emara</i>	environmental care and protection
<i>Fiqh</i>	legal rulings
<i>Halal</i>	permitted by God
<i>Haram</i>	forbidden by God
<i>‘Ibadah</i>	worship
<i>Ijm</i>	seeking of knowledge
<i>Ijmaa’</i>	consensus of scholars
<i>Ikhlas</i>	sincerity in acts and words
<i>Insāniya</i>	humanities and sympathy
<i>Islam</i>	submission
<i>Itar</i>	putting others before yourself
<i>Jamhur</i>	assembly or collection of people
<i>Kratos</i>	rule
<i>Niyya</i>	intention behind one’s actions
<i>Qiyaas</i>	analogy
<i>Qur’an</i>	the central religious text of Muslims
<i>Sadaqah</i>	voluntary giving out of compassion, love, friendship, religious duty or generosity.
<i>Sawm</i>	one of the pillars of Islam indicates fasting and self-control

	during the month of Ramadan
<i>Shari'ah Law</i>	Islamic legal system derived from the Qur'an and the Sunnah
<i>Shia</i>	Islamic religious sect
<i>Sunnah or Hadith</i>	the verbally transmitted record of the teachings, deeds and sayings of the Prophet Muhammad
<i>Sunni</i>	Islamic religious sect
<i>Taqwa</i>	awareness of God
<i>Tazkiyyah</i>	contributing to common good and community development
<i>Waqf</i>	an inalienable religious endowment in Shari'ah law, donation of a building, land or money for charitable purposes
<i>Zakat</i>	one of the pillars of Islam indicating compulsory annual giving of 2.5% of a Muslim's wealth for charitable purposes

CHAPTER 1: INTRODUCTION

1.1. Introduction

This chapter introduces the study. The first section presents the primary research concern and rationale behind the study. On the basis of that the second section outlines the purpose of the study, the motivation behind conducting it and the area where the study is located. Following this, the third section outlines the chapters composing the thesis.

1.2. Precursors to and Rationale behind the Research

Business has always had social, environmental and economic impact and has been concerned about stakeholders and management of relationships with them. Since the introduction of the term ‘corporate social responsibility’ by Bowen in 1953, the term has attracted a steadily growing body of academic and industry interest. This interest resulted in the development of numerous CSR definitions. For example, in only the 1980–2003 time frame, 37 CSR definitions were developed (Dahlsrud, 2006). However, despite the dynamic and abundant CSR literature, models, measurement systems and indices, academia has not reached consensus yet on what exactly CSR is (Crane and Matten, 2004a) since “corporate social responsibility means something, but not always the same thing to everybody” (Votaw, 1972: 25) and as such, this creates difficulties for business and society to understand CSR.

However, the conceptualisation and formal writing on CSR is largely a product of Western capitalist tradition which assumes a fundamental separation between market and society (Becker-Olsen et al., 2011) and it is unclear whether it can be applied easily to developing and non-Western countries (Katsioloudes and

Brodtkourb, 2007) that differ in the institutional settings and state-private business relations compared to developed countries. CSR efforts receive increasing recognition within the developed economies where CSR has a compulsory nature and indicates organisational commitment to societal well-being and sustainable economic development (Ararat, 2006). However, the Western world is characterised by strong institutional presence and authorities, which is not necessarily the case of developing countries (Dobers and Halme, 2009). That consequently could lead to a different role of business in developing countries, which are usually associated with bureaucratic inconsistency, insecurity of human rights and property protection issues (Idemudia, 2011). As a result, the main substance of CSR or what constitutes and supports CSR in the Western society is relatively poorly established and governed in the developing world (Jamali, 2008). Therefore, CSR needs to be examined in the light of the context where it is being implemented.

However, CSR research in developing countries cannot be generalised to all of them but should be conducted and based on region-specific characteristics (Ramasamy et al., 2010). That specifically refers to the Middle Eastern countries that differ from the conventional understanding of developing countries usually associated with poverty. Considering the oil-driven and rich economy of the region, the Middle East represents a vast territory populated by some of the wealthiest countries in the world that are also associated with strong impact of Islam. Therefore, generalising research findings of studies conducted in developing countries to the Middle Eastern countries could be problematic. That calls for a better examination of the Middle Eastern region.

1.3. Aim and Objectives of the Study

Driven by a strong personal interest and research experience in Middle Eastern studies (Chukov and Koleva, 2011; Koleva, 2010) along with the response to the lack of clarity regarding CSR in the Middle East (Katsioloudes and Brodtkourb, 2007), the identified research problem in the literature and debate about CSR

applicability in non-Western countries, the main aim of the study is to examine what CSR in the Middle East is.

In order to achieve this aim, the study first examines organisational CSR activity on external and internal levels and how organisations incorporate CSR in business operations. Second, it investigates the role and importance of stakeholders for organisational CSR activity. Third, it seeks to identify whether and how Islam impacts on the CSR practices implemented by organisations. Fourth, it focuses on stakeholder perceptions of the phenomenon of investigation. Based on these objectives, the study conceptualises the examined phenomenon.

The specific research questions driving the study are:

1. How is CSR perceived in the Middle Eastern countries?
 - 1.1. What is the social role of business in the Middle Eastern countries?
 - 1.2. How is CSR being practised in the Middle Eastern countries?
 - 1.3. How do organisations interact with stakeholders as part of organisational CSR activity?
 - 1.4. How do organisations engage with stakeholder concerns as part of organisational CSR initiatives?
2. Is Islam exerting impact on CSR in the Middle Eastern countries?
3. How is CSR being institutionalised in the Middle Eastern organisations?
4. What are stakeholder perceptions for CSR?

The research questions were developed in accordance with the research strategy followed in the study and the theoretical needs of the data analysis. Therefore, they are presented in the study on the basis of their construction during the study's progress. The first two questions were developed as result of the systematic review of literature; they are presented in Chapter 2. The third and fourth questions were developed as result of the data analysis and theoretical needs of the study, and their development is presented in Chapter 4.

In answering these questions, the study makes a valuable contribution to the CSR literature and Middle Eastern studies. By helping to identify what the social role of business is in the examined region, the expectations, requirements and needs of stakeholders, how those are managed by business and what the role of Islam is for regional CSR activity, the study provides a comprehensive and thorough understanding of the phenomenon of CSR in the Middle East. Consistent with Freeman's (1984: 40) call for a conceptual scheme that analyses in an integrative fashion the external environmental forces, the study takes into account the interconnection between social, religious, political and economic forces, i.e. a broad variety of external contextual dynamics, not only economic ones. As result, the study introduces a substantive theory on CSR in the Middle East that is framed as a community-centered social responsibility (CCSR) as well as a second substantive theory on Islamic CSR. The study makes a third valuable contribution by introducing four approaches for CSR conduct in the examined context and a fresh perspective grounded in organisational practice on stakeholder power. At the same time, the study makes practical contributions that can help organisations strengthen their CSR commitment.

1.4. Chapter Outline and Structure of Thesis

The current research is theory-driven. It deliberately privileges the voices of respondents to explore their perceptions and experiences with the phenomenon under examination. This is reflected in the methodological approach followed in the study.

Following the introductory chapter, the thesis is structured in the present manner. Chapter 2 contextualises academic CSR literature and presents the gaps identified in literature. Chapter 3 provides a detailed presentation of the methodological approach followed in the study in order to achieve the study aim and answer the research questions. Chapter 4 presents the overall analytical procedures followed in the study for data analysis and category construction. Chapters 5 and 6 present the study results and the categories constructed. Chapter 7 discusses the categories with academic literature in a comparative manner. As a result of this comparison,

the categories are positioned in the current literature in order to strengthen their theoretical sensitivity and to construct the substantive theories of the study. The chapter also presents the study findings resulting from this comparison with literature. Chapter 8 presents the academic contributions and practical implications of the study and summarises the study.

CHAPTER 2: REVIEW OF EMPIRICAL STUDIES

2.1. Introduction

Considering the study purpose, academic research on CSR needs to be reviewed and contextualised in order to be studied. This is achieved in the chapter by critically examining past empirical studies relevant to the researched phenomenon. The chapter begins by positioning the studies within the broad context and debate regarding the relationship between business and society. In doing so, the review aims to acknowledge the complexity of the phenomenon and identify potential issues associated with it. Given my research interest, the chapter has been divided into three essential components where CSR and factors contributing to variations on the business–society relationship are presented through academic literature in developed, developing and the Middle Eastern countries. The study employs constructive Grounded Theory strategy (for more details see Chapter 3) that requires two reviews of literature – the first one (Chapter 2) engages in surveying the existing empirical literature that has been performed *before* the data collection in order to familiarise the study with the examined issue and the second one (Chapter 7) reviews theoretical literature relevant to the constructed categories *after* the Grounded Theory categories were built. The study followed this approach with the benefit that the second review of theoretical literature could be guided by unexpected, ‘surprising’ facts resulting from the data analysis.

2.2. Part One – CSR in Developed Countries

The literature surrounding the subject of CSR is extensive and scholars have developed and introduced various concepts, theories and perspectives that attempt to explain what CSR is. From a practical point of view, the basic connotation of the term CSR can be presented as the relation of business with society and as

such, CSR is currently a subject of increasing interest for business practitioners and academic research. For that reason, the examination of empirical studies for CSR in developed countries begins with a review of academic research on this relation.

2.2.1. The Relation between Business and Society

The past twenty years are associated with three crucial characteristics that led to increased international dialogue and strong emphasis on the questions concerning the role of business in society (Morschett, et al., 2015; Scherer et al., 2009). The increased trends of globalisation, the recent global financial crisis and environmental concerns have had crucial significance for the re-definition on the role and responsibilities of major stakeholders in society (Noland and Phillips, 2010; Peters and Roess, 2010). The collapse of Lehman Brothers in 2008 and the controversial results of the Copenhagen Summit in 2009 are only a few of the consequences of power manoeuvres among organisations and stakeholders in public and private environments (Carroll and Buchholz, 2014). Overall, all these events contributed to the re-intensification of the spotlight on the role of business in society (Kinderman, 2015; Lindgreen et al., 2012).

As result of these global dynamics, business has started engaging in activities that have been traditionally regarded as governmental responsibilities (Scherer and Palazzo, 2011). That is specifically evident in the context of the multinational corporations (MNCs) which engage in social, health and human rights protection programmes while operating in countries with weak governmental presence (Matten and Crane, 2005). Scholars often criticize these forms of corporate involvement (e.g. Henderson, 2001) since they do not correspond with the economic role of business in society as proposed by the theory of the firm (Jensen, 2002) and often exceed the widespread understanding of CSR, translating it into a form of compliance with societal expectations (Carroll, 1991). These forms of corporate societal involvement demonstrate the growing significance of corporations for the production of global public goods (Vogel, 2008), which was

recognised by some scholars as an indication for the political role of business in global society and dynamics (Boddewyn and Lundan, 2010).

As result of these global dynamics business, as the main actor in society, becomes a subject of increased public scrutiny (Turker, 2009). The private sector responds to this criticism by presenting a responsibility agenda based on triple bottom line recognition that indicates organisational commitment to create economic wealth and profit while considering societal and environmental concerns (Donaldson and O'Toole, 2007). On the other hand, the public sector response consists of executing its legal power to enable an environment for CSR conduct and sustainable development (Fox et al., 2002). Therefore, governmental efforts result in institutionalisation of business ethics giving them legal and obligatory nature (Campbell, 2007). Thus, as result of decreased trust in public and private institutions, organisations increase their reliance and support on CSR strategies to obtain stakeholder approval and social acceptance (Bhattacharya et al., 2009; Sen et al., 2006; Bhattacharya and Sen, 2004).

That tendency can be specifically observed in reliance to the increased demand for corporate accountability (Schwartz and Carroll, 2007). As result of the dominant role of business and its status of leading actor on the global stage, business is increasingly expected to conduct transparent operations and to be “answerable for decisions and activities to the organization's governing bodies, legal authorities and, more broadly, its stakeholders” (International Organisation for Standardization 26000, 2010: 2). That demand for transparency and accountability has been significantly catalysed by the increasing importance of corporations for global social and political stability as often corporations have more power than governments (Schwartz and Carroll, 2007) which also led to conflicting points of view concerned with the challenges of the business–society relation (Crane and Matten, 2010), re-consideration of stakeholder management and engagement (Mitchell et al., 1997; Freeman, 1984), codes of corporate governance to regulate stakeholder rights (Crane and Matten, 2010), business and social governance (Wolf and Barth, 2005), and sustainable development and corporate sustainability

(Dobson, 1996). As a result, CSR becomes a vital part of corporate activity and a source of maintaining balance in the interaction between business and society (Benn et al., 2009; Lindgreen et al., 2009).

2.2.2. Defining Corporate Social Responsibility – Historical Perspective

Scholars consider as a foundation of the modern state principles the Westphalian world order created as a result of the treaties signed in Westphalia (1648) in order to end the Thirty Years' War in Europe (Scherer and Palazzo, 2011). This order rests on the principle of sovereign power, non-interference in another country's domestic affairs and more or less on the idea for homogenous nations that lead to stabilisation of social roles and expectations within coherent communities (Scherer and Palazzo, 2011). However, scholars noted that in the post-Westphalian world order associated with the course of globalisation, these conditions have changed (Cutler, 2001). Kobrin (2009) associates the transition to the new post-Westphalian order with the blurring of the lines between the public and the private spheres' main characteristics while Habermas (2001) explains the decline of the nation-state authorities with the weakening of democratic control, growing heterogeneity of nations and the pluralism of values and lifestyles.

The decline of nation-states in governance capability creates challenges for business organisations in the global environment and in increased reliance on CSR. Business organisations are under pressure to cut costs and increase profitability for shareholders. At the same time, they acquire new opportunities by entering new markets or split their value chain and transfer activities to low-cost areas (Crane and Matten, 2004b). This often requires operation in a complex environment with heterogeneous legal and social demands where it is not clear which activities are legitimate and acceptable (Doh, 2005). While these conditions may lead to new opportunities for expansion and cutting operational costs, operating in areas out of the reach of the enforcement mechanisms of democratic law may result in creating more risk for companies but also predispose them to involvement in environmental damage and human and labour rights violation

(Crane and Matten, 2004b). World history remembers the examples of child labour at Nike's immediate or indirect suppliers (Zadek, 2007), the case of Shell in the Nigerian delta (Wheeler et al., 2002), the human rights violation by the Burmese army around the pipelines of Unocal (Spar and La Mure, 2003), and the transfer of data on dissidents by Yahoo to the Chinese government (Dann and Haddow, 2008).

In the post-Westphalian order, public issues that were once covered by nation-state governance now fall under the responsibilities of corporate managers. In order to respond to public pressure, close gaps in regulation and reduce complexity, many organisations have started to compensate for weaknesses of local governance by involvement in practice programmes that would contribute to self-regulation (Scherer and Palazzo, 2011), produce public goods not delivered by authorities (Dobers and Halme, 2009) and would ensure social acceptance and licence to operate by local communities (Gunningham et al., 2004). Academics and practitioners call these practices CSR. The following section presents the origin and historical development of CSR that is symbolically divided into three main periods.

The first period is associated with the British industrial revolution. In the early 1900s corporations were criticized for implementing harmful practices, for being too big and powerful. In order to improve their corporate image, business leaders responded to this criticism by involvement in charitable initiatives (Wulfson, 2001). In the UK, Oliver Sheldon (1924) was among the first businessmen to recognize organisations' responsibility for employees' well-being and to improve working conditions in the factories (Blowfield and Murray, 2008). Similarly, USA businesses began involvement in community support and employee benefits programmes. Business concentrated efforts on industrial development associated issues and specific domains such as health and safety for workers, consumer protection, labour practice and environmental protection response (Jenkins, 2005). Scholars argue that this sense for responsibility was largely influenced by religious beliefs of business leaders (Lawrence and Weber, 2002).

The second period (1940s-1970s) is associated with New Capitalism and the idea that business should act more voluntarily in the benefit of society. Drucker (1942) believed that firms have responsibilities beyond profit maximization and have to provide a sense of community and dignity to their workers in a modern society organised around firms' activities. Bowen in his remarkable book *Social Responsibilities of the Businessman* (1953), as cited in Maignan and Ferrell (2000: 4), perceived the ethical role of business as "obligation to pursue those policies, to make those decisions or to follow those lines of action that are desirable in terms of the objectives and values of society". For his contribution, Bowen is considered "the father of CSR" and 1953 was accepted as the year when the concept of CSR was born (Carroll, 1999).

The third period of the historical development of CSR is marked by the dawn of the globalisation era from the 1970s onwards (Blowfield and Murray, 2008; Jenkins, 2005). With the acceleration of the concept, Friedman (1970) published an article about the conflict in his own view of the relation between business and society. He argued that the only role of business is to increase profits of shareholders and accordingly that is the only responsibility business has towards society. Friedman (1970) protested against any potential philanthropic involvement of business in society and argued that such an activity would rather be considered as stealing from the only actors who actually have right to benefit from corporate resources – shareholders.

This period marks the beginning of a new stage in business–society relation as researchers started to introduce frameworks for CSR based on both value and norms considerations in addition to the economic objectives of the organisation (Matten et al., 2003; Epstein, 1987). These frameworks focused on the interdependence between business and society and that "business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour and outcomes" (Wood, 1991: 695).

Significant contribution in this regard was made by Carroll who in 1979 introduced the model of corporate social performance (CSP) and in 1991 the model of corporate social responsibility (CSR). The first model was built on the assumption that “business does have social responsibility and that the prime focus is not on management accepting a moral obligation but on the degree and kind of managerial action” (Carroll, 1979: 501). The CSP model was composed by social responsibility categories, social issues, philosophies of social responsiveness that aimed to explain how business is expected to respond to societal issues. The CSR model (Carroll, 1991) integrated economic and social orientation of business in order to indicate that organisations have responsibilities that exceed their primary economic objectives. This framework considered that business has four responsibilities – economic and legal (that have mandatory nature), ethical (that is expected by society) and philanthropic (that is desired by society). As such, Carroll’s (1991: 91) model presents “the entire spectrum of obligations business had to society”. It is still the most widely cited and recognised model of CSR (Visser, 2006).

2.2.3. Defining Corporate Social Responsibility – Modern Perspectives

The literature on CSR is abundant, yet there is no consensus on the precise formulation of CSR (Scherer and Palazzo, 2007). In addition to the studies presented above, some more recent research has also tried to define CSR. Maon et al. (2010: 8) characterise CSR as “1) a stakeholder-oriented construct that concerns 2) the voluntary commitments of an organisation pertaining to 3) issues extending inside and beyond the boundaries of that organisation and 4) that are driven by the organisation’s understanding and acknowledgement of its moral responsibilities regarding the impacts of its activities and processes on society”. On the other hand, Basu and Palazzo (2008) view CSR as 1) driven by stakeholder demands, 2) performance driven where the organisations pursue measuring effectiveness of CSR engagement and 3) motivation driven where the organisation has extrinsic reasons (e.g. corporate reputation, managing risk, and

pre-empting legal sanctions) for involvement in CSR activity, while Lantos (2001) distinguishes altruistic, ethical and strategic forms of CSR involvement.

Despite the lack of agreement between scholars, a few common characteristics could be identified. Scholars have analysed the literature on CSR and have concluded that the economic view of CSR is a significant component of the current debate of CSR that positions the concept in the boundaries of the economic theory of the firm (Margolis and Walsh, 2003). *The economic or instrumental view* (Jones, 1995; Drucker, 1984) of CSR is based on the notion that there is a clear separation between business and politics (Henderson, 2001) where business organisations are regarded as profit-oriented, managers have fiduciary responsibilities towards shareholders (Sundaram and Inkpen, 2004) and any potential form of societal responsibility could be accepted only if it enhances the strategic organisational objectives (Crouch, 2006; McWilliams and Siegel, 2001). As result, practitioners would not reject socially responsible behaviour but would assess the corporate-value-adding contribution of CSR (Scherer and Palazzo, 2011). This “enlightened value-maximization” strategy (Jensen, 2002: 235) represents the ‘business case’ of CSR where the corporate social performance of the organisation is linked to its financial performance and indicators (Vogel, 2005). However, the main argument against this logic is that if the organisation involves itself in social responsibilities with the expectation of obtaining economic benefits, these initiatives are not social responsibilities any more but economic activities (Petersen and Vredenburg, 2009).

Scholars also recognise political forms of CSR where studies are concerned with the power of corporations in society and the responsible implementation of this power on the political arena (Garriga and Melé, 2004). *The political view* of CSR is attracting more attention from scholars and practitioners as result of the crisis associated with the nation-state in the post-Westphalian order and the increased globalisation phenomenon that result in increased economic, political and social power of corporations. Firms are regarded as corporate citizens and although this

idea is not new (McGuire, 1963), it obtains different dimensions in the current world order (Crane et al., 2004b; Matten et al., 2003).

Various studies (e.g. Maon et al., 2008; Dahlsrud, 2006) focus on the interaction of the firm with society which led to the development of the *normative view* of CSR. This view positions the concept within the realm of organisational interactions with various groups of interests called stakeholders (Freeman and Gilbert, 1987). Some scholars regard this view as closely aligned with the instrumental approach to CSR where the interaction with stakeholders could be utilised for strengthening the economic positions of the firm (Scherer and Palazzo, 2011). Scholars also position the notion for sustainable development within this group which has developed from its initial limited form to environmental protection to include social and economic considerations as well (Garriga and Melé, 2004).

Institutional views of CSR, such as from the World Business Council for Sustainable Development (WBCSD), the European Commission (EC) and the Business for Social Responsibility (BSR), have also contributed to the development of the CSR concept. In 2000, the WBCSD defined CSR by emphasising the business' social role as a "continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." (World Business Council for Sustainable Development, 2000). As suggested by the WBCSD's definition, the environmental or financial dimensions of business' responsibilities are not considered as CSR.

On the other hand, the European Commission emphasises the importance of stakeholders in order to define CSR. According to them, business should: "integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders" (European Commission, 2011: 6), while the BSR provides a view of

CSR that reflects to a high extent recent years' trends towards a shift to sustainable business operations. According to them, business should be operated:

in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. CSR is seen by leadership companies as more than a collection of discrete practices or occasional gestures, or initiatives motivated by marketing, public relations or other business benefits. Rather, it is viewed as a comprehensive set of policies, practices and programs that are integrated throughout business operations, and decision-making processes that are supported and rewarded by top management (Business for Social Responsibility, 2013).

The CSR perspectives presented above combine three different aspects in varying degrees – people (society), planet (environment) and profit (economics), or the so-called Triple Bottom Line (TBL) (Elkington, 1997). As suggested by the studies reviewed above, stakeholders and their importance for CSR implementation is emphasised in the modern views of CSR. Therefore, in order to continue with the conceptualisation of the CSR literature, the chapter focuses on the role of stakeholders for CSR.

2.2.4. Stakeholder Role for CSR

CSR and stakeholder theory are interrelated concepts and when considered together represent the social role and responsibilities of business and the interest of all entities affected by or affecting the operational activities of the organisation (Dahlsrud, 2006). Therefore, their analytic and practical interdependence require careful review of academic studies for better conceptualisation. The section opens with identification of what stakeholders are, their relation to CSR and the consequent stakeholder element (called concerns) that become the object of CSR activity.

Stakeholders

As discussed above, business focus should go beyond shareholders' interest and evaluate the importance of other groups of interests that can impact or are impacted by corporate activity. Potential preclusion of social responsibility of business may affect corporate reputation negatively, deterioration of relationships, financial losses, declining employee productivity and so on (Vallaster and Lindgreen, 2013; Weiss, 2009). Therefore, a fundamental aspect of the stakeholder theory is to identify stakeholder groups of importance and complete organisational CSR initiatives toward them (Clarkson, 1994).

According to the Stanford University view (cited in Freeman and Reed, 1983, and Freeman, 1984) stakeholders are "those groups without whose support the organisation would cease to exist". Similarly, Freeman and Reed (1983: 91) consider as a stakeholder the individual or group who "can affect the achievement of the organisation's objectives or who is affected by the achievement of an organisation's objectives". That is identical to Freeman's (1984) definition which states that a stakeholder is "any group or individual who can affect or is affected by the achievement of the organisation's objectives".

Stakeholders and CSR

Maon et al. (2008: 72) define CSR "as a stakeholder-oriented concept", since "the concept of stakeholders is central to CSR". As such, stakeholder engagement is a key component of organisational CSR activity (Dahlsrud, 2006; Fontaine et al., 2006; Moir, 2006). Therefore, when a study constructs a CSR model, it has to be based on stakeholder theory, since there is a "natural fit between the idea of CSR and organisational stakeholders" (Carroll, 1991: 43). Furthermore, "the stakeholder concept personalises social responsibilities by specifying groups or persons to whom companies are responsible and should be responsive" (Branco and Rodrigues, 2007: 10) and is considered as "inescapable" if one wants to analyse or discuss CSR. Stakeholder theory is a complimentary part of the CSR framework development and operational implication. Similarly, Garriga and Melé

(2013) noted that an important number of CSR studies use stakeholder theory for CSR conceptualisation.

Therefore, to a great extent stakeholder theory can be considered as a CSR theory (Davenport, 2000), since it provides a normative framework for responsible business towards society (Melé, 2009). As such, stakeholder theory is an essential part of the current study since stakeholder analysis and stakeholder engagement are considered by the literature as a way to understand what organisations perceive as CSR and how business might undertake such behaviour (Hillman and Keim, 2001; Moir, 2001).

Stakeholder Relations and Concerns

Stakeholder groups and their corresponding demands and issues are evaluated by management on the basis of the interrelated factors of power, legitimacy and urgency (Maignan and Ferrell, 2004) and are often focused on providing a specific form of response through corporate responsibility initiatives (Lindgreen et al., 2012; Steurer et al., 2005). The exact nature of the management exercised by the organisation is determined by its corporate objectives and by the power, legitimacy and urgency of the corresponding stakeholder requirement for organisational interference (Donaldson and Preston, 1995).

Organisations are required to provide an adequate response to a variety of social, environmental and economic pressures (Noland and Phillips, 2010) or they would risk “society [to] place increasing costs on unsustainable business practices, and customers may not choose to purchase associated products and services” (Hill, 2001: 32). Therefore, careful assessment of stakeholder concerns is crucial for organisational survival on the market (Vallaster et al., 2012; Hillman and Keim, 2001). Considering the importance of stakeholder groups for conceptualisation of CSR, the pilot study focused on exploring organisational stakeholder engagement and corresponding forms of CSR response.

2.2.5. Call for a Broader Explanation of CSR in Developed Countries

Although the studies discussed above have attempted to conceptualise the relation between business and society, they could not introduce organisational forms of social involvement apart from the economic objectives and profit maximization of the organisation, or from the dominance of shareholders. As presented above, the prevailing part of them carry instrumental or normative logic that positions organisational forms of social responsibility within the boundaries of economic benefits (Matten et al., 2003). Scholars find reasons for that in the CSP model that attempted to measure social responsibility in terms of performance as “the conceptual model can assist managers in understanding that social responsibility is not separate and distinct from economic performance, but rather is just one part of the total social responsibilities of business” (Carroll, 1979: 503). The CSR model also fails to explain philanthropy apart from profitability (Shum and Yam, 2011), which results in an increasing body of literature that aims to relate social and financial performance.

On the other hand, when organisations involve themselves in altruistic forms of CSR without aligning them with economic benefits, scholars consider their activity as an illegitimate practice. According to Lantos (2001: 604), “devoting the corporate resources to social causes is contrary to an implied contract with investors to maximize their profits and is, in effect, tantamount to stealing stockholders’ money,” which to a great extent reminds of the Friedman (1970) view on the social role of business. Therefore, a better understanding of the dimensions of social involvement of business in developed countries is required as suggested in the review above, since the conventional CSR literature has not reached agreement yet on what exactly CSR is.

2.3. Part Two – CSR in Developing Countries

As discussed in the first part of the chapter, the debates on the social role of business and balance of power between corporations, governments, institutions

and communities has become central for leading public, institutional and social actors (Ararat, 2006). The focus and essence of these debates vary from one country to another as actors maintain different perceptions of the role of these groups and their interdependence (Yin and Zhang, 2012). The following section reviews the empirical literature concerned with CSR development in the context of emerging economies as it aims to conceptualise the current stage of development of CSR literature in developing countries.

2.3.1. Comparison between CSR in Developed and Developing Countries

The core notion of conventional CSR is located in a broader framework of responsibilities where businesses, governments, legal and social actors interact on the basis of mutual responsiveness. On the other hand, CSR concepts and principles originate from a specific political and economic context, characterised with relatively strong institutional presence in which regulation is efficient and fairly exercised (Dobers and Halme, 2009), which does not necessarily correspond to the economic and political environment in developing countries (Danon-Leva et al., 2010) where bureaucratic inconsistency, insecurity of human rights and property protection may be prerequisite to different views of CSR (Idemudia, 2011). Thus, CSR needs to be examined in the light of the context where it is being implemented due to differences in the socio-economic and political stage of development of countries and their ability to recognise or to resolve different societal and business issues (Jamali, 2007). This applies not only to developing countries but to developed ones as well since they were identified as having divergent views on CSR (Matten and Moon, 2008; 2004).

Further, developed and developing countries differ in terms of maturity of their institutions and that often leads to gaps in social provision and governance in the developing countries' context (Idowu and Filho, 2009). Therefore, it can be stated that the need for CSR in developing countries is more visible due to the inability of local institutions to provide societal support or to administer ethical dimensions of business (Jamali and Neville, 2011). While governments have been

traditionally perceived as having an active social role and being responsible for the improvement of living conditions of the population, societal needs have exceeded the capabilities of governments to cover them (Ararat and Göcenoğlu, 2006). As result, local communities have heightened requirements and expectations from companies to fill those gaps which is a prerequisite to a different role for business (Dobers and Halme, 2009). Business is considered as responsible to community needs and a provider of societal goods (Jamali and Mirshak, 2007; Katz et al., 2001).

From a macro perspective, developing countries are an area where social and environmental crises have more apparent impact due to their unstable politico-economic environment, but at the same time globalisation, investments, economic growth and manufacturing are likely to have more visible positive impact on social and environmental conditions compared with in developed countries (Visser, 2008). However, while developed countries and their corresponding organisations and societies can benefit from implementation of a CSR agenda, developing countries are still likely to be restricted in this regard due to lack of research and incompatibility of conventional CSR with the developing world (Khan and Lund-Thompsen, 2011).

2.3.2. Incompatibility of Conventional CSR with Developing Countries

The incompatibility of conventional CSR is rooted in the concept's origin. Western countries, usually characterised by efficient regulation and strong institutional presence, operate with CSR that integrates social, legal, and environmental concerns in business operations (Dobers and Halme, 2009; Idowu and Filho, 2009). Moreover, conventional CSR is located in a system of relations built upon mutual responsiveness and interaction between business, government, legal and social actors (Carroll, 1991), whilst the institutional environment in developing countries is poorly developed and characterised by arbitrary enforcement of law, bureaucratic inconsistency, insecurity of property and corruption (Blowfield and Frynas, 2005). Consequently, this leads to different

views of CSR and different expectations from business (Turker, 2009; Tan and Komaran, 2006). Business is considered responsible for undertaking a regulatory role and enhanced institutional capacity in detecting tax fraud, antitrust and unveiling corruption cases (Jamali and Mirshak, 2007).

The mainstream CSR agenda is considered by critics as largely driven by Western societies and therefore reflects their priorities and concerns while no sufficient room for other societies has been left (Ararat and Göcenoglu, 2006). Scholars argue that contemporary CSR suffers from selective amnesia (Jenkins, 2005) and issues demonstrating institutional inefficiency such as tax avoidance, unattainable investment or societal issues (e.g. poverty reduction and illiteracy) are not considered by conventional CSR (Ramasamy et al., 2010). Thus, CSR does not address the real political, economic and social problems of people in developing countries (Matten and Moon, 2008; Chapple and Moon, 2005).

Critics of CSR argue that the concept cannot be placed in the developing world. Khan and Lund-Thompson (2011: 73) examined managerial perceptions of CSR in Pakistan and suggested that CSR is perceived as “part of the wider historic project of Western imperialism in the developing world through which economic resources are extracted from local manufacturers while their perceptions of what constitutes socially responsible behaviour are delegitimized”. Idemudia (2011) stated that Western CSR when applied in Africa is unable to respond to the expectation of local society and fails to address institutional problems related to corruption, financial fraud and widespread poverty. That led to development of a South-centred CSR agenda that aims to map the social priorities of the African continent (Idemudia, 2011).

Scholars also state that along with the inconsistency of conventional CSR with the social and economic demands of the developing world, there are silent CSR practices not observable in the Western CSR model implemented in developing countries. Some of these practices are influenced by religious practices (Atan and Halim, 2012; Ramasamy et al., 2010), values and traditions (Brammer et al.,

2007) or are context specific and observable locally (Ringov and Zollo, 2007; Visser, 2006). Moreover, drivers for CSR activity differ significantly from developed countries and CSR in the developing world is mainly practised without any publicity and expectations for financial return, the opposite to Western management that is mainly profit driven (Khan and Lund-Thompson, 2011). That renders a different meaning and practice of CSR.

Visser (2006) revised Carroll's (1979) CSR pyramid for the African context and identified that the CSR dimensions have a different order. Economic responsibility is given a major importance due to unstable economic situations on the continent and widely spread poverty (Visser, 2006). According to him, that results in a greater focus on philanthropic activity that is considered as the most direct way to improve socio-economic factors of local communities. Legal and ethical dimensions are considered less important in the African context and that indicates the minor importance of good conduct (Visser, 2006). A reason for that could be the weak legal infrastructure and more urgent issues such as increasing poverty among the population (Visser, 2006). Moreover, as argued by Carroll (2004) the ethical dimension is probably the CSR category characterised with the most divergent view among nations due to their different ethical standards, values and morals.

2.3.3. Call for a Broader Explanation of CSR in Developing Countries

Ever since the idea for CSR was introduced by Bowen in 1953, scholars have tried to find a universal definition of what exactly CSR is and how it relates to the business–society relation (Waddock and Smith, 2000). However, defining an abstract concept such as CSR that holds divergent meaning for different actors could be difficult due to the blurred boundaries of the concept (Lantos, 2001). As Votaw (1972) stated, “corporate social responsibility means something, but not always the same thing to everybody”. Considering that CSR is in “a *continuing state of emergence*” (Lockett et al., 2006: 133, original italics) it is difficult to frame it within specific boundaries. Moreover, scholars recognise that various

region-specific factors lead to different meanings of CSR (Jamali, 2007) and as such “the confusion is not so much how CSR is defined, as about how CSR is *socially constructed* in a specific context” (Dahlsrud, 2006: 1; emphasis added).

The studies reviewed above demonstrate that conventional CSR is not consistent with the stage of development, stakeholder concerns and specific needs of developing countries, and that results in contrasting societal expectations from business. However, as the review of literature indicates, even developing countries differ significantly and that would render different meanings of CSR among them. Thus, CSR research in developing countries cannot be generalised to all of them but requires a broader examination based on region-specific characteristics (Ramasamy et al., 2010).

2.4. Part Three – CSR in Middle Eastern Countries

With the increasing importance of the Middle Eastern countries and constantly rising levels of foreign direct investment (FDIs) the clash between civilizations as stated by Huntington (1993) becomes more evident. The secular business approach of Western capitalism on materialism, competition, profit maximization and shareholder primacy (Khan and Karim, 2010) diverges from business practices in the Middle Eastern region characterised by the strong impact of religion. Therefore, when investigating business approaches and strategies in Middle Eastern countries the importance of religion cannot be underestimated (Dusuki, 2008).

2.4.1. Significance of Islam for the Current Study

The strong influence of Islam comes from lack of separation between public and private life (cf. in Christianity there is clear separation between ‘state’ and ‘church’) and as a result Islam influences its followers’ decision-making in any aspect of their lives (Khan and Karim, 2010). For example, local governments have a very powerful position that differs from the Western conventional perception for political power and democracy. ‘Democracy’ as a term is usually

associated with the Western world, being derived from the Greek word *demokratos* that indicates a form of political governance held by ‘the people’ (*demos* – people and *kratos* – rule). As far as Arabic literature is concerned, the closest word to *demokratos* is the Arabic word *jamhur*, meaning people or assembly or collection of people, but it does not indicate possession of power and who holds the power. The reason is that *jamhur* was mainly used in the eighteenth century with reference to the French Republic but was never considered as a form of governance that has applicability in the Middle East, at least not in its Western secular meaning (Ahmad, 2000).

For comparison, in the USA people are regarded as sovereign and the real source of power, principles and policies. Political power is legitimate only when it is derived from the authority of the people and is based on their consent. The US democracy is based on a secular constitution (the law of the land) and the Bill of Rights. Government and religion are clearly separated as religious parties or political groups are not evident.

On the contrary, the political situation in Middle Eastern countries is significantly different. *Islam* (meaning ‘submission’) is a complete code of conduct that impacts on the moral, legal, social, economic, educational, national and international aspects of public and private life. The enormous impact of Islam is institutionalised through the Islamic *Shari’ah* law (the law of the land), the guidance of the *Qur’an* and the *Sunnah* (or *Hadith*). These three create a framework for Islamic political order – a form of governance based on institutionalised religious postulates. God is regarded as the real source of power and *Shari’ah* law – as the supreme source of policies, values and principles for public and private life. Religion impacts heavily on politics and the main religious sects – *Shia* and *Sunni* form their own parties. These religious sects are also further divided into local groups and tribes. The religious sect, tribe or group that has the majority of members will usually be the one to hold the official power in the country.

This discussion demonstrates (by taking political context as an example) how Islam is a prerequisite to significant differentiation between the Middle Eastern and the Western worlds. For that reason, any context, including business ethics and CSR in the Middle East, cannot be examined without taking Islam into account. This statement has its grounding in the existing literature.

Abuznaid (2012) acknowledges the strong impact of Islam on Muslim people's public and private affairs. Beekun and Badawi (2005) argue that business ethics cannot be separated from ethics in the other aspects of Muslims' daily life. Al-Qaradawi (1984) examines Islam through the prism of a practical tool which gives a special focus on the social and ethical role of business practitioners. Williams and Zinkin (2005) study Islam as a guidance to direct and indirect responsibilities of business towards stakeholders and argue in Williams and Zinkin (2010) that Islam is more explicit than conventional CSR due to clearer codification of ethical standards and enforcement mechanisms. Khan and Karim (2010) claim that Islam influences business and socio-economic life in a way which can be associated with the conventional form of CSR. They regard Islam as a complete system of codes and guidelines that shapes an entire socio-economic system. Atan and Halim (2012) argue that features of social responsibility and justice are deeply rooted in the Qur'an and the Sunnah as those sources oblige companies to execute their responsibilities toward society and environment. According to Dusuki (2008), Shari'ah law, as a source with prime importance in the Islamic paradigm, provides a religious bond that surpasses the Western notion for corporate responsibility. Katsioloudes and Brodtkorb (2007) support this statement by emphasizing that Islam provides grounding upon which CSR practices can be established, while Rice (1999) recognises that Islam contains an entire socio-economic system where ethics dominate economics and not the other way around.

The discussion above demonstrates that scholars have acknowledged the significance of Islam for business practices and business ethics. However, a clear examination of the factors contributing to this significance needs to be provided for a better contextualisation.

2.4.2. CSR through the Prism of Islam

Islamic teaching on normative business ethics exercises its postulates through the Qur'an, considered the primary source, and the Sunnah (or Hadith) – the words and actions of the Prophet Muhammad, that have a second, but still, primary role. Both sources offer guidance and principles for conducting Islamic life. These principles, such as social justice, benevolence and moral conduct are not subject to change (Beekun and Badawi, 2005). The Qur'an and the Hadith serve as a basis for two additional widely accepted sources – consensus of scholars (*Ijmaa'*) and analogy (*Qiyas*). Analogy (or analogical deduction) indicates the derivation of a ruling concerning a new situation or a problem based on analogy with a similar situation described in the Qur'an and/or the Hadith (Beekun and Badawi, 2005). Thus, situations of crisis or specific issues can be solved by relying on stories included in Islamic textbooks.

Business ethics, employee relationships and other aspects of business are regulated through Shari'ah law (Khan and Karim, 2010). Central for the understanding of Shari'ah is the *taqwa*-paradigm (awareness of God or God-consciousness). It implies making a deliberate effort to achieve the objectives of Shari'ah by adopting the paradigm (Dusuki, 2008). The *taqwa*-paradigm builds a social mentality that ensures commitment to ethical norms such as human dignity, free will, equality and rights, trust and responsibility (Khan and Karim, 2010). Implemented by organisational members, the *taqwa*-paradigm is a prerequisite to business that shares a feeling of ethical obligation to serve for the well-being of society (Dusuki, 2008).

Organisations are required to offer products that are *halal* (permitted by God) and avoid any activity that might be considered *haram* (forbidden by God) and harm the firm's reputation (Al-Qaradawi, 1984). Environmental considerations are also evaluated through the principle of *qiyas* (analogy), as Muslims are expected to protect the environment as described in the Sunnah (Williams and Zinkin, 2005). The legal part of the organisational responsibility is discussed and clearly defined as well. Business transactions are expected to be transparent as required by the

Qur'an (Williams and Zinkin, 2005), as corruption, manipulation and deception are considered *haram* (Al-Qaradawi, 1984). Banking operations are largely governed by Shari'ah, which results in a special service called Islamic banking.

Quality standards and their right implication in ethical standards are also insured and can be seen in the Qur'anic teaching for weights and measures. The ethical dimensions of this postulate can be perceived as a requirement for high quality standards and full information for the products' manufacturing (Brammer et al., 2007). Employee rights, anti-discrimination and gender equality are highly encouraged (Williams and Zinkin, 2005). Philanthropy is presented through *zakat*, as one of the five pillars of Islam, which generally refers to a mandatory annual contribution of 2.5% of the wealth of Muslim people to the less fortunate (Atan and Halim, 2012). Zakat donations occur during Ramadan. Similar concepts are *sadaqah* and *waqf* that indicate voluntary giving.

The codifications and postulates underpinned in the Islamic religious books and the five pillars of Islam¹ provide a form of conceptualisation which is not present in any other major religion apart from Judaism (Abuznaid, 2012; Alserhan, 2010; Ronnegard, 2010). Islam incorporates permanent futures and mechanisms for adapting to change. According to Khan and Karim (2010) and Dusuki (2008), the foundational principles of CSR through the Islamic perspective can be identified in the Islamic concepts for '*aquidah* (belief and faith), '*ibadah* (worship) and *akhlaq* (morality and ethics). Their manifestation in secondary areas such as economics, business and other secular activities can be fulfilled through the regulations of *Shari'ah* (Khan and Karim, 2010; Dusuki, 2008) where we can see the implementation of '*aquidah* and *akhlaq* as well as a third concept – *fiqh* (legal rulings) which governs the acts of human beings.

This discussion shows that the notion for business ethics and social responsibility is grounded in Islam. However, academic literature on this issue for the context of the Middle Eastern countries is characterised with significant limitations

¹ The five pillars of Islam are the testimony of faith (*shehadah*), prayer (*salat*), supporting the needy (*zakat*), fasting during Ramadan (*siyam*) and pilgrimage (*hajj*).

(discussed in Section 2.4.3). Thus, it is not surprising that the region is still lacking a CSR framework specifically developed for the region.

2.4.3. Review of Literature on CSR in the Middle Eastern Countries

A systematic review of the CSR literature for the Middle Eastern region has been conducted at the beginning of the study. The literature review aimed to identify the stage of development of CSR in the region and the academic research published on this issue. After applying the initial search criteria² in the research database³, returning 22,714 journal publications,⁴ eighteen publications were identified as corresponding to the criteria. Consequently, they were examined manually to clean up the raw dataset. After revising their content (title, abstract and text), eighteen papers were considered to be relevant to the general purpose of the systematic literature review, i.e. to examine CSR in the Middle Eastern region. The results are presented in Table 2.1.

The publications identified are empirical – instrumental and descriptive studies, primarily engaged in testing and examining the nature of the relationship between CSR as a corporate practice and various marketing or financial factors. The studies are mainly focused on organisational level of analysis as scholars examine CSR at the internal, organisational level. For instance, Rettab et al. (2008) and Katsioloudes and Brodtkorb (2007) are focused on examining the impact on CSR of firm-specific variables such as financial performance, employee commitment and corporate reputation (Rettab et al., 2008), market orientation and firm performance (Rettab et al., 2010) in the context of Dubai.

² The inclusion criteria required identification of key words such as “corporate social responsibility” and “Middle East” in the publications’ content (title, abstract or text).

³ I have utilised multiple research databases, such as EBSCO, Thompson Web of Science, ScienceDirect and Google Scholar.

⁴ Time frame for search of published studies was 2004-2014, since CSR was introduced into the region in 2004 (Selvik, 2013).

Table 2.1: Number of Publications per Country per Year

	Lebanon	The UAE	Saudi Arabia	Syria	Jordan
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	2	1	0	0	0
2008	4	1	0	1	0
2009	2	0	0	1	1
2010	1	1	0	0	0
2011	1	0	0	0	0
2012	0	0	2	0	0
2013	1	1	0	1	0
2014	0	0	0	0	0
Total ^a	11	4	2	3	1

a) The sum of the column totals is greater than eighteen because some articles are focused on more than one country

Scholars have also discussed the instrumental and normative views of CSR. According to Selvik (2013), Ali and Al-Aali (2012), Mandurah et al., (2012), Jamali and Neville (2011), Jamali et al., (2009b), Jamali and Sidani (2008), Jamali and Keshishian (2009), Jamali (2007), Jamali and Mirshak (2007), there is a prevalence of an altruistic view of managers operating in the region. At the same time researchers identified that the instrumental view of CSR was also evident in the region (Jamali et al., 2008; Jamali and Sidani, 2008). Scholars also found that CSR is still in a semi-institutionalised phase and is rather perceived as a voluntary practice (Ali and Al-Aali, 2012; Mandurah et al., 2012; Jamali and Neville, 2011; Jamali et al., 2008). Managers are driven by normative factors (Jamali et al., 2009a) to involve themselves in CSR or due to a desire to be socially accepted. Jamali et al. (2008) examined the positive synergy and interdependence between corporate governance and CSR that lead the business entity to sustainable development.

Scholars have also conducted institutional analysis of CSR as business was viewed as having the capacity of a regulative body. Business organisations are described as a potential provider of conflict-related CSR solutions (Jamali and Mirshak, 2010) and an institution having the power and resources to provide

gender justice in the Middle East (Karam and Jamali, 2013). Munro (2013) examined stakeholder preferences towards the firm's CSR initiatives, while Jamali (2008) discussed the most important stakeholder group as part of the firm's CSR agenda. I identified only one publication on the individual level of analysis where Selvik (2013) was conducting interviews with individuals from the Middle East as part of his descriptive study on zakat and CSR.

According to scholars, although CSR was introduced in the Middle East in 2004, the concept remains relatively unknown for local business (Katsioloudes and Brodtkorb, 2007). For instance, only 66% of local companies are familiar with the CSR concept as local businesses still struggle to define and understand it completely, as more than 90% of local business do not adopt CSR policies, objectives, auditing, monitoring or reporting (Selvik, 2013). That is understandable since there are no requirements – legislative or regulative for organisations to disclose CSR information. When CSR is reported it usually occurs on a voluntary basis or is driven by a desire to enhance organisational image, credibility and trustworthiness (Katsioloudes and Brodtkorb, 2007).

2.5. Discussion on the Literature Review and Research Questions

As result of the literature review, I identified eighteen publications issued between 2004 and 2014 with a primary focus on Lebanon, as the rest of the Middle Eastern countries are under-researched. I also identified imbalance between the number of theoretical (non-evidenced) and instrumental and descriptive studies. Theoretical studies aim to develop a framework that (if we had one) would eventually give a conceptual shape of CSR in the region.

Moreover, the instrumental studies found are focused on a limited range of financial and non-financial factors and more research in this regard is needed. In addition, there is clear imbalance in terms of levels of analysis as well. The vast majority of articles address the organisational levels of analysis, and there is an

insufficient research adopting an institutional or individual approach. I could not identify any multilevel study.

The literature review identified that regardless of the valuable findings, studies on CSR in the Middle East have some considerable weaknesses that can be summarised in the following manner:

- 1) **Limited sample:** researchers use limited sample size (approximately 10 respondents) and are mainly focused on managerial perceptions on CSR. I found one study discussing stakeholders' inclusion in the CSR planning (Jamali, 2008) in Lebanon and one study that examines general stakeholders' preferences for CSR practices (Munro, 2013) in the region, but it is not clear who these stakeholder groups are. Therefore, our knowledge and understanding on how CSR is perceived by stakeholders outside of the group of organisational managers, what constitutes their priorities and how stakeholder power is exercised in the region, how it forms stakeholder groups, who is considered as such and what constitutes priorities in corporate CSR objectives in the region are areas that require further examination. This is particularly important as the mainstream CSR model does not consider the issue of power relationships in developing world and therefore, cannot fit within a different context with different stakeholder dimensions (Idemudia, 2011).
- 2) **Limited scope:** the majority of CSR research is focused on Lebanon (see publications of Dima Jamali) as the rest of the Middle Eastern countries have been rather neglected by scholars.
- 3) **Mixing data:** research on CSR in the Middle East was identified as based on data collected from foreign MNCs operating locally and mixed with data collected from local companies. However, that mix of data might result in bias in the analysis and results. Although Jamali and Neville (2011) do so in their study, they admit that "MNCs tend to be motivated, on the other hand, by the direction and guidance of their mother companies, which has been institutionalized in company policy and

operating practice over time, as well as various salient legitimacy concerns” (p. 368) which indicates that: a) MNCs tends to implement the CSR agenda developed by the mother company; b) that their CSR policy is based on contextual dynamics, characteristics and stakeholder needs of the home country that do not necessarily comply with the same factors in the host country; and c) there is a great possibility for a MNC to neglect its social responsibilities when entering emerging markets (Selvik, 2013; Ronnegard, 2010; Katsiouloudes and Brodtkorb, 2007). That questions the validity of the academic research conducted for CSR in the Middle Eastern region. I could not identify studies that examine a sample composed of local companies/managers only or are focused exclusively on the Middle Eastern business environment. Therefore, we have a significant lack of understanding of the phenomenon of investigation within the dimensions of Middle Eastern business and organisations.

- 4) ***Limited industrial scope:*** Review of the literature identified that the majority of academic research is focused on examining CSR in the banking industry as that is specifically observable in doctoral studies (e.g. AlRifai, 2013; Aribi, 2009; Mohammed, 2007). This is understandable since banks are more likely to implement CSR due to the traditional negative image associated with the banking and financial industry. On one hand that ensures availability of data for analysis but on the other, academia and business practice still lack a comprehensive understanding of CSR as understood and implemented by other institutional actors, representatives of the industry, governmental and non-governmental sectors.

On the basis of the gaps identified and insufficient research on CSR in the Middle East, I concluded that academia and business still lack thorough understanding on what CSR means for external and internal stakeholders of organisations, how CSR is practised by Middle Eastern organisations and what factors contribute to the current status of CSR in the region. Consideration of the gaps identified as result of the literature review coupled with a strong personal interest in the topic, have

led to the formulation of the following two research questions and their sub-questions:

1. How is CSR perceived in the Middle Eastern countries?
 - 1.1. What is the social role of business in the Middle Eastern countries?
 - 1.2. How is CSR being practised in the Middle Eastern countries?
 - 1.3. How do organisations interact with stakeholders as part of organisational CSR activity?
 - 1.4. How do organisations engage with stakeholder concerns as part of organisational CSR initiatives?
2. Is Islam exerting impact on CSR in the Middle Eastern countries?

As was presented in the chapter, the social role of business differs in developed as well as in developing countries. Stakeholder groups and their related concerns are important components of organisational CSR activity but also part of the organisational practice of CSR. By answering these sub-questions, the first research question is informed and the operational and perceptual dimensions of CSR are identified. As suggested in the literature, Islam is a significant component of the Middle Eastern environment. For that reason, the inclusion of Islam in the current study was considered important. The study focuses on religion since the literature suggests that business ethics are reflected in Islamic textbooks and religion. National culture is not a matter of concern for the current study.

2.6. Chapter Summary and Conclusion

This chapter has contextualised the current study and engaged extensively with existing empirical research on CSR in developed, developing and the Middle Eastern countries. In doing so, the chapter has rationalised the need for studies on CSR in the examined context. By discussing in detail the historical development and ideological roots embedded in the conventional CSR concept and contrasting it with specifications, contextual dynamics and stakeholder needs in developing

countries, it was argued that CSR is a context-specific practice that cannot be generalised within culturally, economically and politically diverse regions. With this in mind, available literature on CSR in the Middle East was reviewed and summarised in order to identify academic development on the issue and current stage of CSR practice in the region. Collectively, the limited number of studies on the research topic suggests that CSR is in an early stage of development and semi-institutionalised mode of practice. Coupled with the increased economic role of the Middle Eastern countries and their strategic importance from a geo-political perspective as well as the lack of focus and significant limitations of the academic publications identified, this has led to the formulation of concrete research questions which direct the current study. Continuing from this position, attention now turns to the methodological approach applied in the current study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction

This chapter illustrates the research methodology employed for the empirical study by which the research aim and objectives were achieved. Section two presents the research problem formulated after consulting the literature and the study research questions. The third section presents the philosophical assumptions in the study that rationalise the research methods applied. Section four and five annotate respectively the research approach and research strategy employed for the study and provide the rationale for this decision. The chapter continues with discussion of the research design and the procedures performed for sampling, data collection and data analysis in the pilot and main study. The pilot study confirmed availability of CSR activity and data in the examined context and has allowed me to verify the study as an important and essential research endeavour in the Middle East. The analyses of data collected for the main study complemented the preliminary findings and provided answers on the research questions. Section ten discusses theorising in the research strategy employed and in the substantive theories constructed. The final section elucidates the concluding thoughts.

3.2. Research Questions

I initiated this study with a general interest in CSR in the Middle Eastern countries being inspired from my previous research on the Middle East and North African region (Chukov and Koleva, 2011; Koleva, 2010). This interest became particularly strong after the initial literature review, where I identified that academic research on CSR in the Middle Eastern countries is: 1) scarce, 2) accompanied with serious limitations, and 3) constrained within limited research settings; that make: 4) the research problem relatively unknown. Starting from this position, research questions that serve as “statements that identify the

phenomenon to be studied” (Backman and Kyngäs, 1999: 149) were formulated in order to give the study the flexibility to explore the research problem in depth. The actors interacting with the researched field were those who defined the problems or concerns that were examined (Charmaz, 2006) and that was in accordance with the philosophical positions of the study.

Research questions serve as general guidance in a study and they could be modified during the study progress (Bryant and Charmaz, 2007). Following the analytic insights and needs of the study resulting from the data collection and analysis, the research questions of the study faced a few modifications as well so they could have this current shape (Glaser, 1978). In view of the study flow and methodological specifications of Grounded Theory, RQ1 and 2 and their sub-questions were formulated as a result of the systematic literature review. RQ3 was developed after the secondary data analysis and the last RQ4 – after the pilot interviews. Each of these processes served as a progressive illumination to inform the previous one, guided the study direction and if necessary resulted in amendments to the questions (Whitehead, 2000). Put together they informed the research problem and helped to achieve the study aim. The respective research problem and supportive research questions are presented here.

Research Problem:

What is corporate social responsibility in the Middle Eastern countries?

Research Questions:

1. How is CSR perceived in the Middle Eastern countries?
 - 1.1. What is the social role of business in the Middle Eastern countries?
 - 1.2. How is CSR being practised in the Middle Eastern countries?
 - 1.3. How do organisations interact with stakeholders as part of organisational CSR activity?
 - 1.4. How do organisations engage with stakeholder concerns as part of organisational CSR initiatives?
2. Is Islam exerting impact on CSR in the Middle Eastern countries?

3. How CSR is being institutionalised in the Middle Eastern organisations?
4. What are stakeholder perceptions for CSR?

Nature of the Research Questions:

The research questions driving the current study are exploratory in nature. They seek insights from the participants' experience with a specific phenomenon and go deeper by investigating the reasons for that specific experience.

3.3. Research Philosophy

Research can be characterised on the basis of its purpose, process, logic and outcome (Hussey and Hussey, 2003). These factors can be indicated through the philosophical assumptions adopted in a research work concerned with the nature of the examined phenomenon and how social actors derive knowledge about it, the nature of human beings, the methodological underpinnings embedded in an inquiry and the perceived implications of the study (Zikmund et al., 2012). The intersection between the philosophical positions embedded in the study and their mapping into a research paradigm demonstrates the approach adopted in the inquiry for the purposes of examination of the phenomenon from which particular understanding and explanations will be derived. This mapping and the corresponding paradigm of the study are presented in Figure 3.1 and discussed in more detail below.

3.3.1. Interpretive Paradigm

Research has been described as a systematic investigation or inquiry where data are collected, analysed and interpreted in a specific way in order to understand, describe, predict or control a specific phenomenon (Burns, 1997). Combined together, these factors are deeply influenced by the theoretical framework, or paradigm that guides the inquiry. The paradigm adopted influences the consequent choice of research methodology that will be employed in the study. Therefore, a clear understanding of the research paradigm is necessary in order to

Figure 3.1: Research Methodology Adopted for the Study



Source: Author's original work

make theoretically informed choices and conduct scientific inquiry (Johnson and Duberley, 2000).

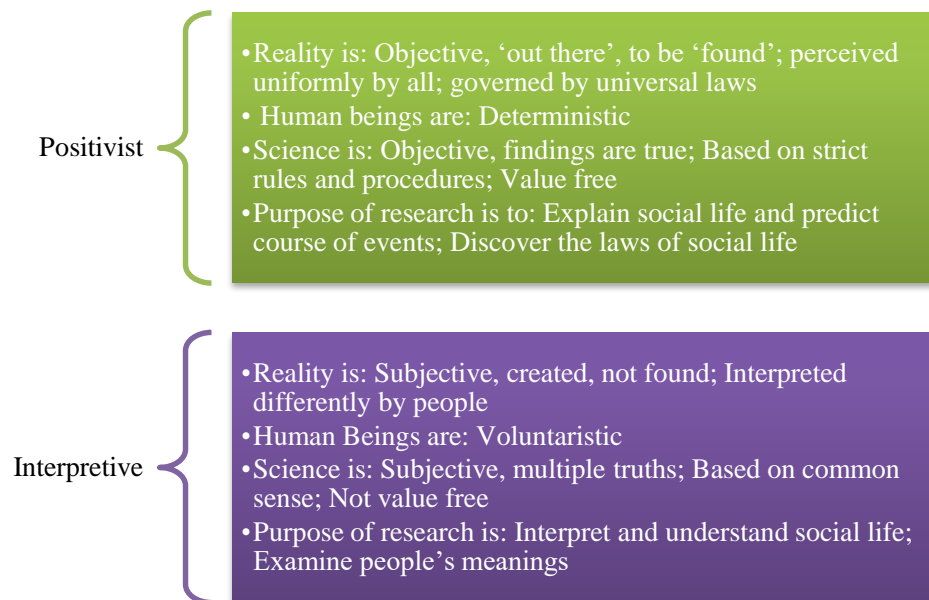
Kuhn (1970: 175) uses the term ‘paradigm’ in two different senses – on one hand it stands for “the entire constellation of beliefs, values, techniques, and so on shared by the members of a given [scientific] community” but on the other it also “denotes one sort of element in that constellation, the concrete puzzle-solutions which, employed ... can replace explicit rules as a basis for the solution of the remaining puzzles”. The ‘puzzle’ is referred to as ‘phenomenon’ in the current study by keeping Kuhn’s (1970) original meaning.

Similarly, Guba and Lincoln (1994: 107, original emphasis) define a paradigm as “a set of *basic beliefs* (or metaphysics) that [...] represents a *worldview* that defines, for its holder, the nature of the ‘world’, the individual’s place in it and the range of possible relationships to that world and its parts”. They do not consider the role of human beings in their work since everything “that we shall say subsequently is also a human construction: *ours*” (Guba and Lincoln, 1994: 108, original emphasis) and thus the human factor exerts influence on scientific inquiries regardless of the overall paradigm adopted. However, in the study I distinguish clearly the role of human beings by referring to the main theoretical perspectives in organisational research since the position adopted on human nature (discussed in Section 3.3.4) influences the outcome and organisational implications of the study (Burrell and Morgan, 1979).

Kuhn (1970) and Guba and Lincoln (1994) both see paradigm as a disciplinary matrix composed by the ontological, epistemological and methodological positions adopted in the study in order to solve a particular puzzle. Having in mind the research problem and questions summarised above, the study has adopted an interpretive paradigm that aims to understand the action in a substantive area from the point of view of the actors involved standing from the position that realities are multiple, experientially based and interpreted as result of social actors’ interactions with the phenomenon (Guba and Lincoln, 1994).

Translated to the current study, a researcher adopting an interpretivist stance would investigate within the realm of individual consciousness and subjectivity in order to understand the individuals' experience with the researched phenomenon – CSR. Accordingly, CSR is seen in the study as a phenomenon which has been constructed as result of the individuals' unique experience of interaction with it. Thus, the scientific conclusions drawn would be concerned with the fundamental meanings attached to the phenomenon of CSR and the reasons behind that particular notion and experience. That is in alignment with the researched problem and researched questions presented above.

Figure 3.2: Theoretical Perspectives in Organisational Research



Source: Guba and Lincoln (1994) and Burrell and Morgan (1979)

The interpretive paradigm is in contrast to the positivist standpoint (Figure 3.2) for objective, mono reality that stands from the position that the phenomenon “has an independent existence prior to human cognition” and “waits” to be discovered (Johnson and Duberley, 2000: 180). Regardless of the wide applicability of the positivist paradigm in organisational research, positivism is in contradiction with

the basic notion behind CSR which is a phenomenon created as result of social actors' interaction and cognition.

3.3.2. Ontological Stance

Researchers approach their studies via explicit or implicit views about the nature and the form of reality (Burrell and Morgan, 1979). On the basis of that, social scientists can adopt a spectrum of positions varying from positivism to constructivism as their ontological position (see Guba and Lincoln, 1994). While positivism characterises reality as objective and driven by natural laws and mechanisms (Hesse, 1980), constructivism adopts a relativist position towards the nature of the world and profess that realities are “apprehendable in the form of multiple, intangible mental constructions, socially and experientially based (Guba and Lincoln, 1994: 110). The form and the nature of reality is viewed as consisting of multiple individual realities influenced by context (Mills et al., 2006). Concepts such as rationality, truth, right, good or norms must be understood as “relative to specific conceptual scheme, theoretical framework, paradigm, form of life, society... there is a non-reducible plurality of such conceptual schemes” (Bernstein, 1983: 8). Therefore, constructivism is “principally concerned with explicating the processes by which people come to describe, explain, or otherwise account for the world (including themselves) in which they live” Gergen (1985: 266) and professes that reality is not externally determined but is socially constructed (Sarantakos, 1998).

The study direction was profoundly influenced by the ontological stance adopted and has influenced significantly the entire research development starting from generation of the research idea, until the final stages of interpretation of the research results (as presented in Figure 3.1). Social constructivism takes the stance that all different approaches for understanding the world are historically and socially relative and that affects the actors' experience with the phenomenon (Holstein and Miller, 2006; Hayes and Oppenheim, 1997). This method of conceptualisation is particularly important when investigating the modus operandi of organisations since societies vary significantly and each has the power to

influence the decision-making and construction of a phenomenon such as CSR. Thus, their complexity and various accompanying factors require deep examination and an ontological position that provides insights behind the socio-constructed reality, since the phenomenon and the fundamental meanings attached to it are product of this interaction (Goldman, 1999; Goulding, 1998).

3.3.3. Epistemological Stance

The epistemological stance encountered in a research work reflects on the researchers' views about what knowledge can be considered useful to explain the phenomenon of inquiry and how actors know that phenomenon (Johnson and Duberley, 2000). The positivist school of thought would seek objectively derived knowledge consisting of verified hypotheses that can be accepted as facts and laws (Kuhn, 1970). Phenomena are regarded as independently existing impervious of the surrounding reality. Knowledge is obtained from independent investigator and investigated 'object' as the former should be capable of studying the object without influencing it or being influenced by it (Hesse, 1980). Values and biases are constrained to minimum (Bourdieu, 1977) and findings of this knowledge are considered 'true' and replicable for context beyond the research settings (Cook and Campbell, 1979).

Another school of thought considers knowledge as transactional and subjective (Guba and Lincoln, 1994). Investigated objects obtain a sense of the phenomenon by building interpretations referenced to their labels and meaning systems (Giddens, 1984). These labels and meanings are regarded as symbolically created social constructs, as result of interactive processes between social actors (Burr, 2003; 1995). Thus, phenomena are perceived as subjectively created and can only be understood from the position of the actors directly involved in the activities leading to that creation (Goldman, 1999). Therefore, explanations for the reality and phenomena are sought via the realm of individual consciousness, subjectivity, historical and social processes (Guba and Lincoln, 1994). Ergo, interpretivists argue that it is important to understand the differences between humans in their role as social actors (Holstein and Miller, 2006).

According to symbolic interactionism (Blumer, 1979; 1969), social actors are in a continual process of interpreting the world and in that they interpret the actions of others with whom they interact and this interpretation leads to modifications of their own meanings and actions. Thus, knowledge and understanding of the phenomena is created and mediated through the subjectivities and intersubjectivities of interaction and interpretation of the phenomenon (Blunter, 1994). Symbolic interactionism was adopted as an epistemological position of the study since it is concerned with the fundamental meanings and interpretations attached to the examined phenomenon (Astley, 1985).

3.3.4. Human Nature

Associated with the ontological and epistemological issues is a third set of assumptions that is concerned with nature of human beings. They have to be taken into account since human life is essentially the subject and object of social inquiry (Marshall and Roseman, 2010). On one hand, human beings can be regarded as deterministic actors whose activities and actions are determined by external factors in the environment where they are located (Bourdieu, 1977). They respond mechanically or in predictable manner to situations on the external world (Figure 3.2). As such, their experiences are the dialectic product of the surrounding environment. On the contrary, the voluntaristic stance views humans as autonomous and free-willed actors. Thus, environment and actors are not conceptualised as separate entities but as different sides of the same reality brought together through practice (Giddens, 1984). By engaging in different social practices and behaviour, social actors construct and re-construct social meanings that reflect in their environment.

The philosophical stances adopted for the nature of the social world have influenced the view for human nature adopted in the study. Human beings are perceived as agents able to be reflexive and critical, competent to learn from their experience, communication and interaction with other social agents and the surrounding environment. They are viewed as voluntaristic actors having the ability to reflect on and affect the phenomenon of inquiry (Holstein and Miller,

2006). Thus, the exploration of their perceptions, experience and actions with the subject of examination (CSR) is a key component in the research objectives, research questions and study design.

3.3.5. Methodological Stance

The three philosophical assumptions discussed above have influenced the methodological nature of the inquiry and the way I have obtained ‘knowledge’ about the phenomenon. Depending on the philosophical assumptions adopted in a research, the inquiry could employ quantitative or qualitative methodology to answer the research questions. Quantitative methodology emphasises the importance of using systematic protocol and technique for the inquiry that focus on development of scientific tests and statistical measurements (Burrell and Morgan, 1982). Although this approach was considered in the initial stage of the study, it was consequently discarded since CSR is a relatively new concept in the Middle Eastern countries and as such identification of sufficient levels of respondents for statistical analysis was identified as problematic.

On the other hand, qualitative methodology is based on the notion that research can understand the social world by obtaining first-hand knowledge for the subject of inquiry (Bryman, 2012). The researcher becomes an active part of the examined problem by involving herself in the everyday flow of life (Cunliffe, 2011). The emphasis in qualitative methodology is on the importance of letting the subject of inquiry unfold its characteristics during the process of examination by employing qualitative methods in order to explore the fundamental meanings attached by actors to the phenomenon (Denzin and Lincoln, 2003). Employing qualitative methods in this study helped me to reach the study aim, to examine in-depth the CSR practices of business in the Middle Eastern countries and the factors impacting on the process of construction and implementation of CSR by local companies.

3.3.6. Compatibility of Interpretive Paradigm with Organisational Research

This study is an organisational research by purpose that aims to investigate a complex phenomenon in the Middle Eastern organisations. The study holds the position that organisations are complex empirical entities artificially created by humans and as such exist and are in process of self-co-creation due to interaction with social actors. Therefore, organisations are equally complex as human beings, since they are embedded in each other (Hatch, 1997). As a result, it is difficult to make sense of organisations (Weick, 1995) due to the complexity of their comprising components (Morgan et al., 1997).

A solution for this issue could be the employment of the interpretive paradigm, since interpretive inquiries have affirmed their relevance to organisational studies “by addressing questions that cannot be adequately answered by traditional experimental or survey methodologies and by enhancing our understanding of, among other things, the symbolic dimensions of organisational life” (Prasad and Prasad, 2002: 4). The strength of the interpretive paradigm to address complex organisational research derives from its commitment to social constructivism and availability to understand the process of symbolic co-creation of internal and external organisational reality (Young, 1989). Although the interpretive paradigm has been mainly utilised at the micro-organisational level of research (Gregory, 1983) that tendency is changing and researchers are focusing on establishing connections between local subjective worlds and macro-organisational and institutional processes and phenomena (Everett, 2002; Mir and Mir, 2002).

The present study is a composing component of the last classification. The discussion presented above demonstrates the compatibility between the paradigm selected to address the research questions and the specifications of the examined organisational phenomenon. Complying with scholarly views on CSR as a socially constructed phenomenon (Dahlsrud, 2006), the interpretive paradigm was considered as compatible with the research purpose and with the nature of the research questions. Starting from the position that the phenomenon is constructed

as result of organisational actors' interpretations of CSR, I identified extrinsic and intrinsic organisational forces that helped me to answer the research questions and achieve the study aim.

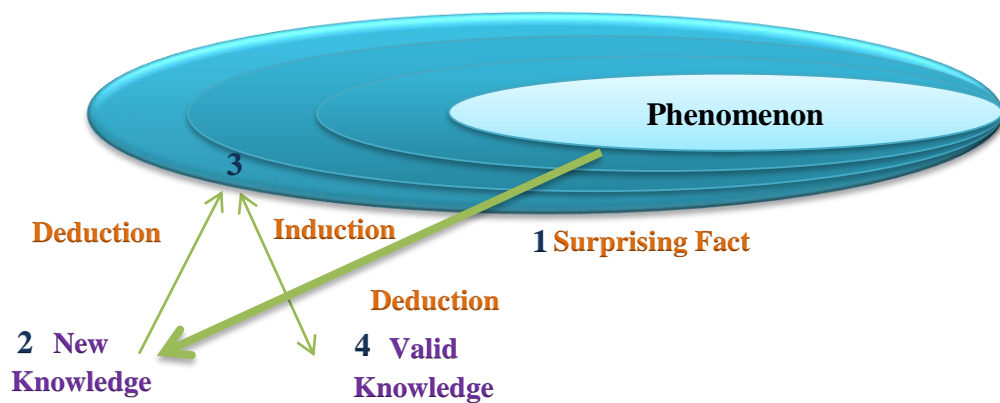
3.4. Research Approach

The research approach of a study affects the reasoning embedded in the research design (Zikmund et al., 2012). Based on the intended conclusions, researchers distinguish deductive and inductive research approaches. A deductive approach occurs when the conclusion is drawn logically from a set of premises, while in inductive inference known premises are used to generate untested conclusions (Hussey and Hussey, 2003). However, researchers also apply a third mode of reasoning – abduction, which begins with a ‘surprising fact’ being observed (Reichertz, 2010), which usually occurs when a combination of features with no appropriate explanation or rule in the store of knowledge results on the basis of data interpretation (Peirce, 1935). That ‘surprise’ causes a “genuine shock” (Reichertz, 2010: 219) and initiates the search for a (new) explanation. That explanation could be achieved as a result of intellectual process that could take place “like lighting” (Peirce, 1935: 117), where the thought process is not influenced by logical rules. For these rules to occur, they must be first invented or discovered intellectually (Reichertz, 2010). In other words, in an abductive research approach, new premises are used to generate testable conclusions, i.e. it combines deductive and inductive reasoning depending on the research design and as such it stresses both the logical and also the innovative reasoning in an inquiry (Peirce, 1935). Thus abduction allows “a *rule-governed* and *replicable* production of new and *valid* knowledge” (Reichertz, 2007: 216, original emphasis).

Abduction was adopted as the research approach of the study due to its compatibility with the research strategy (Section 3.5) and the research design employed (Section 3.6). This approach started with collection of secondary and primary qualitative data to explore a specific phenomenon (Figure 3.3; Step 1). As a result of the data interpretation, new features and unexpected insights were identified (Step 2). These new features and insights were consequently tested and

compared with their comprising properties and deduced to tentative categories (Step 3). Then, the tentative categories were tested and verified with new insights induced from additional data items that resulted in raising them to theoretical categories (Step 4).

Figure 3.3: Abductive Reasoning Followed in the Study



Source: Author's original work

Abduction is not a linear process but a continuously repeating approach that requires constant comparison and movement back and forth in the data, tentative and theoretical categories. Applied in the study, this process continued until all theoretical categories were saturated. Combined together they led to the construction of valid knowledge presented through the substantive theories of the study. As result, the substantive theories are based on profound insights (that have generated new knowledge) and logical inference (therefore reasonable and scientific) (Reicherz, 2010).

3.5. Research Strategy

A clearly presented research strategy allows the reader to appraise how carefully the researcher has approached the inquiry and to understand the proposed examination. In this line of thinking, a clear differentiation between the research strategy, research design and tactics has to be made. In general, strategy is the

plan of action that helps the researcher to answer her research questions, while design and tactics are concerned with the data collection and analysis methods (Creswell, 2009). Depending on the research objectives and research questions developed, Denzin and Lincoln (2003) state that social scientists can employ experiment, survey, archival research, case study, ethnography, narrative inquiry or Grounded Theory⁵ (GT) as their research strategy.

Experiment research strategy is a laboratory-based research with high rigour that takes an objective stance for the reality and relies on statistically measurable values. Survey is usually associated with deductive reasoning that provides statistically tested answers on research questions (Marshall and Rossman, 2010). Archival research relies on administrative records being kept on a day-to-day basis (Gilliland and McKemmish, 2004). Case study requires active participation in organisational daily operations where the researcher can observe the external environment within a limited number of cases (Yin, 2013). Ethnography is mainly used to study social trends among groups (Hammersley, 1998). Narrative inquiry is mainly concerned with stories, specific event, or a complete life story (Mishler, 1995). These strategies were discarded since they were not recognised as suitable for the research questions, aim and objectives of the study.

Grounded Theory (GT) was selected as a research strategy that is in accordance with the study aim, research questions and philosophical positions since GT is recommended for application primarily “where complex social interaction is insufficiently understood and little or no theory exists” (Fendt and Sachs, 2008: 431) and compatible with studies that aim “to learn how participants construct their experience with the phenomena through their actions, intentions, beliefs and feelings” (Charmaz, 1995: 30). Thus, GT is considered appropriate for examining social views for particular phenomena (Denscombe, 2010). GT requires constant comparison, fractioning, coding and analysis of various sets of data (Glaser, 1978) until saturation is reached (Birks and Mills, 2011). Context (e.g. organisational, social and behavioural) is of a great importance and is considered to convey a

⁵ ‘Grounded Theory’ (capital letters) is used here as a proper noun to indicate its use as a research strategy and to distinguish it from ‘a grounded theory’ (no capital letters).

conceptual understanding of issues that constitute the naturalistic world (Douglas, 2006; Maanen, 1979) and that results in analytic generalization (Fendt and Sachs, 2008). For that reason, GT is considered particularly suitable for organisational studies (Locke, 2001; Watson, 1994). My decision was further supported by the wide applicability of GT in CSR research (summarised in Appendix 1).

3.5.1. Grounded Theory

GT is considered as one of the most widely recognised and used research strategies in social sciences (Denzin and Lincoln, 2003) that offers a detailed and complete vision of how to do theoretically innovative research and to generate theory (Suddaby, 2006). Its applicability in a scientific inquiry ranges from generation of theories to strategies for data analysis, being used with different approaches and for different purposes (Sousa and Hendriks, 2006) that could be implemented in quantitative and qualitative studies (Walsh et al., 2015).

Regardless of its wide application in scholarly research ever since it was ‘discovered’ in 1967 by Glaser and Strauss, GT has lacked a comprehensive understanding (Birks and Mills, 2011). That led to use of the terms ‘grounded theory approach’, ‘method’ and ‘research’ interchangeably by researchers (Clarke, 2005; Bryant, 2003). Moreover, scholars still differ in their views of GT as some of them consider it as a ‘technique’, a ‘method’, ‘methodology’, or a ‘paradigm’ (see Walsh et al., 2015 and Holton, 2011). In this study, GT is considered and applied as a research strategy *only*. Its application as such is presented in Chapter 4.

3.5.2. Principles in Grounded Theory

GT is characterised as an approach of “analysis linked with data collection that uses a systematically applied set of methods to generate an inductive theory about a substantive area” (Glaser, 1992: 16) and as such operates with specific analytic tools that are unique for the strategy. The main GT tools and their relevance to the current study are presented below.

Formulation of research problem and research question

The grounded theorist initiates her inquiry with an area of interests based on her own past experience as she enters the field with a set of ideas to be studied (Goulding, 1998). However, new research questions or problems might emerge as a result of the GT procedures such as substantive coding, theoretical sampling and constant comparison that might correspondingly change the research flow (Glaser, 1992). This differs in quantitative and other qualitative inquiries that start with a clear set of research questions and usually complete the study having the same set of questions (Glaser, 1998). This GT principle was applied in the study by developing research questions on the basis of the study's progress, as the process of illumination of the phenomenon led to amendments in the initial set of research questions and the development of new ones.

Concurrent data collection and analysis

Essential to GT is the simultaneous data collection and analysis. In order to initiate this process, the researcher collects data first from a purposive sample. The data is then coded and used to indicate the consequent sets of data that will be collected. Once some theoretical insights start appearing in the categories, the researcher would initiate theoretical sampling to shed more light on the categories (Charmaz, 2006). However, the simultaneous data collection and analysis is essential for GT and differentiates the strategy significantly from other studies where data is collected first and then analysed, or the research is initiated upon a specific theoretical proposition on the basis of which data will be collected and used for hypothesis testing (Glaser and Strauss, 1967). This GT-specific principle was followed in the study by collecting data based on the analytic needs of the categories, as the data collection and analysis were ongoing processes.

All is data

In GT "all is data" (Glaser, 1978). This well-known Glaserian dictum (Bryant, 2003) is extremely important in GT since everything is considered and can be used as data – historical information, archival information, existing literature, academic journals, views of participants and observers, or personal experience

during the research process so grounded theorists can compare various sources, generate new concepts and induce the perspectives involved (Bryant and Charmaz, 2007). That principle was followed in the current study and interviews, corporate reports, existing literature, observations, personal experience and the experience of others were considered as data and were collected, analysed and compared to increase the theoretical sensitivity of the substantive theories.

Constant comparison

GT strategy is a process of constructing theories from the data achieved through comparative analysis (Birks and Mills, 2011). Comparison in GT is an analytic method unique for this strategy that differentiates it from other qualitative methods (Charmaz, 2014a). The logic of abduction in this process is particularly visible (Reichertz, 2007).

As result of the concurrent data collection and analysis grounded theorists engage in a constant comparison of incidents to codes, codes to codes, codes to categories, categories to categories, comparison of all these with new sets of data, with data collected from different participants so I could “establish analytic distinctions”.

Theoretical sampling

Constant comparison along with theoretical sampling follows abductive reasoning (Charmaz, 2014a). Theoretical sampling is a process of data collection for theory generation on the basis of the emerging categories’ analytic needs (Glaser, 1978). When applied in GT, abductive reasoning allows the researcher to go back and forth in the data collection/analysis process, to look for additional samples and data for examination in order to find ‘a surprising fact’ (Reichertz, 2010) to be further investigated or more clarity on a specific category to be provided.

I employed theoretical sampling in order to focus and fulfil the analytic needs of my categories constructed as result of the constant comparative analysis of the data (Birks and Mills, 2011). To sample theoretically, I had to make a strategic

decision on what would be the most informative-research sources of data to meet the categories' analytic needs (Glaser, 1978).

Theoretical saturation

According to Glaser and Strauss (1967), theoretical saturation is the criterion that indicates when to stop sampling, the point at which no additional collection and interpretation of the data would generate further insights or properties of the categories. Saturation of the categories was achieved when standard GT tools were implemented properly, such as theoretical narrowing during data collection, theoretical sampling and theoretical sensitivity (Glaser, 1998).

Theoretical sensitivity

Glaser and Strauss (1967) categorise theoretical sensitivity as a two-part concept composed by the researcher's own theoretical sensitivity, based on her level of insights in both herself and the area of research; and the second part that indicates how the researcher's own theoretical sensitivity reflect on her intellectual history, the theories she has read and how she uses them in her cognitive activity (Birks and Mills, 2011).

Coding and categorising data

GT coding is a process of giving "labels to segments of data that depict what each segment is about. Coding distils data, sorts them, and gives us a handle for making comparisons with other segments of data" (Charmaz 2006: 3). Coding in GT differs from coding in other qualitative strategies since coding in GT is initiated without a preconceived paradigm and the researcher should initiate it with an 'open mind' (Glaser, 1978). That differs from other qualitative approaches (such as thematic or content analysis) where the researcher initiated the coding process with preconceptions what should be coded (Creswell, 2009). The data coding is presented in Chapter 4.

Memoing

Grounded theorists use memos to theorise their ideas about coding and developing categories (Glaser, 1998) as they also set the leads towards theoretical sampling and keep track of the emerging theory (Glaser, 1978). Memos have been described by Clarke (2005: 85) as “intellectual capital in the bank” and “the bedrock of theory generation” (Glaser, 1978: 83).

Sorting of Memos

According to Glaser (1978), sorting of memos is an essential component of GT procedures since it facilitates the reconstruction of fractured data in a theoretical outline and prepares the study for the writing stage. The product of this process is generation of a core category and the consequent substantive theory (Glaser, 1978).

3.5.3. Grounded Theory and Existing Literature

Using literature in GT is probably the main debatable issue among its users and among the most distinguishable characteristics of the strategy compared with other qualitative methods. Considering the importance of the relationship of existing literature in GT studies, this issue is discussed separately.

While engagement with existing literature prior to primary research is characteristic of most strategies of inquiry, classic grounded theorists (Glaser, 1978; Glaser and Strauss, 1967) delay the literature review to after completing the data analysis in order to prevent seeing “through the lens of earlier data” (Charmaz, 2014a: 306). However, with the increase of popularity of GT strategy, this idea has been the subject of various academic debates. Specifically, the problem is not whether a literature review should be conducted – there is a consensus among grounded theorists that it should, but the debate is rather on *how extensive* the review should be and *when* it should be conducted (Walls et al., 2010; Cutcliffe, 2000).

The argument against engaging with existing literature originates from the idea of classic grounded theorists that such prior engagement may constrain the data collection and analysis within specific preconceived ideas (Heath, 2006). As McCallin (2003: 63) states, the fundamental concern is that “the researcher may be sidetracked by received knowledge and interpretations that support taken-for-granted assumptions, which are not relevant in the new area of study”. Moreover, Glaser (1998: 62) argues that prior review of existing literature may lead to external “rhetorical jargon” that would impact on the research and can restrict the freedom required for theoretical diversity.

However, many researchers do not support that idea and advocate for early engagement with the literature. As Douglas (2006) stated, “no researcher is devoid of pre-knowledge, be it closely associated or tenuously linked to that under study” (p. 269). Reading before entering the research field is necessary according to Smith and Bailey (1997) because it allows the researcher to identify what is missing in our knowledge and to acquire better understanding of the research problem. As Cutcliffe (2000: 1480) stated, “no potential researcher is an empty vessel, a person with no history or background” and in fact “rarely do researchers totally abandon prior substantive or methodological knowledge in the pursuit of understanding a complex social phenomenon” (Kools et al., 1996: 315). In other words, as Loesche (quoted in Elkins 2003: 31) stated, there is “something ludicrous about pretending to be a ‘theoretical virgin’”. Therefore, being open minded and having the readiness to examine emerging research problems differentiates from being blank minded (Creswell, 2009).

Being a research student, I had to make an informed choice on when and to what extent to review the literature since the idea of non-engaging with it was impossible (Nathaniel, 2006) considering institutional pressure and review committees that sought reassurance for my preparation to enter the field (Walls et al., 2010; McCallin, 2003).

Engagement with literature was performed in two stages in the manner presented in Figure 3.4. First, I reviewed empirical work concerning the areas of interest of the study and the phenomenon of investigation for identification of the research problem and formulation of research questions. After the data analysis was completed and consequent results were identified, they were compared and contrasted with relevant theoretical and empirical literature. That second review was also necessary since numerous ‘surprising facts’ were identified during the data analysis and that required engagement with literature that was not initially considered. Thus, I did not have the readiness to engage in theoretical conversation before completing the data analysis (Locke, 2001). As result, the integration of existing theory and research with my work was reserved “for a discussion section following the results” (Locke, 2001: 123), which is presented in Chapter 7.

Figure 3.4: Literature Review Performed in the Study



Source: Author’s original work

3.5.4. Different Versions of Grounded Theory

The complexity and unique futures of GT as a mode for conducting scientific inquiries is supplemented by the variety of approaches for GT implementation. As Dey (1999: 2) says, there are “probably as many versions of grounded theory as

there were grounded theorists”. Nevertheless, the most widely recognised ones can probably be considered the GT introduced by Glaser and Strauss (1967), the subsequently independent Glaserian and Straussian (and Corbin’s) approaches to GT after the split of Glaser and Strauss as a research team, and the constructive turn of GT of Charmaz (2006).

However, it is important to identify that the main GT version differs in its approach to GT studies (Fendt and Sachs, 2008). For instance, the classic GT introduced by Glaser and Strauss (1967) was developed as a response to the extreme reliance on philosophical positioning in the first half of the twentieth century (Walsh et al., 2015) and for that reason the classic grounded theorists never clarified the philosophical stances of their approach. However, the consequent development of the independent Glaserian (1978) GT version and specific approach to data and participants in his GT version gave him the position of critical realist researching within the post-positivist paradigm (Annells, 1996). On the other hand, the over-formulaic approach to data analysis in Strauss and Corbin (1998; 1990) suggested many post-positivistic and objectivistic assumptions that positioned them as relativist pragmatists (Mills et al., 2006). Contrary to former GT versions, Charmaz (2006) clearly indicates her methodological positions and states that she operates GT within the constructivist paradigm.

From Charmaz’s (2006: 2) perspective “[G]rounded theory methods consist of systematic, yet flexible guidelines for collecting and analyzing qualitative data to construct theories ‘grounded’ in the data themselves. The guidelines offer a set of general principles and heuristic devices rather than formulaic rules”. Charmaz emphasises the flexible nature of the strategy, considering it as “a set of principles and practices, not as prescriptions or packages” (2006: 9). This provides the researcher with a degree of autonomy when following her guidelines. Her approach was adopted for the study purposes.

3.5.5. Constructive Grounded Theory

Charmaz (2008: 469) recognises that “social reality is multiple, processual and constructed and the viewer is part of what is viewed”. As such, the researcher becomes an active participant in the process of constructing the reality. Constructive GT approach increases the flexibility of qualitative studies and simultaneously gives the researcher more focus than many other qualitative research methods would (Charmaz, 2008). This is achieved by using a comparative approach in an iterative process during the data analysis by asking analytic questions in the data analysis. Further, constructive GT offers explicit guidance for data collection, data analysis and sampling that lead to social scientific theory construction. The strategy provides flexibility that enables researchers to focus on the data collection and to construct theories grounded in their data (Charmaz, 2000). These guidelines emphasise styling processes in the field settings, engaging in simultaneous data collection and analysis, applying comparative methods and checking and elaborating tentative theoretical categories (Charmaz, 2008). Thus, the strength of constructive GT is grounded not only in its comparative methodology but moreover in its interactive nature (Charmaz, 2006). Therefore, when applied correctly, constructive GT

quickens the speed of gaining a clear focus on what is happening in your data without sacrificing the detail of enacted scenes. Like a camera with any lenses, first you view a broad sweep of the landscape. Subsequently, you change your lens several times to bring scenes closer and closer into view (Charmaz, 2006: 14).

3.5.6. Criteria for Evaluating Grounded Theory Studies

Glaser (1978) argues that quality and rigour in GT studies is achieved when the theories and developed work, are modifiable, have fit and relevance. Strauss and Corbin (1999) regard the issue of quality and rigour in terms of process of data analysis and outcome of research. On the other hand, Charmaz (2006) evaluates her work by criteria based on credibility, originality, resonance and usefulness

(Table 3.1). A careful look in Table 3.1 indicates that she uses different terminology to indicate validity and reliability used in qualitative studies to establish truth (Golafshani, 2003), but since this study follows her approach to GT that is the terminology applied to evaluate the research (see Chapter 8).

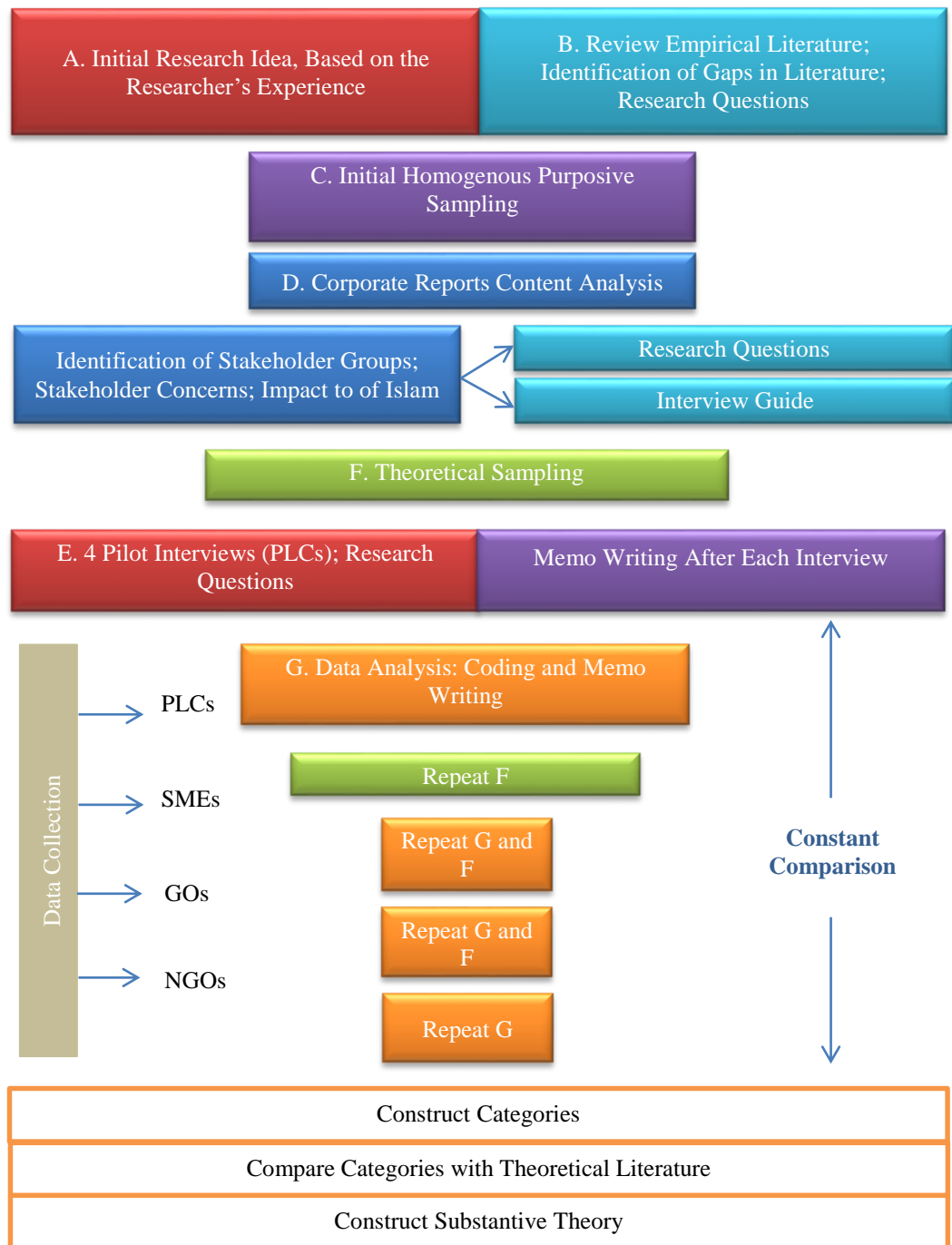
Table 3.1: Criteria for Evaluating Grounded Theory Research (Charmaz, 2006)

Criterion	Question
Credibility	<ul style="list-style-type: none"> - Have you reached intimate familiarity with the setting or topic? - Do your data sufficiently support your claims? - Have you made systematic comparisons between categories? - Is there a strong logical argument linking data, argument and analysis?
Originality	<ul style="list-style-type: none"> - Are your categories fresh? - Do you offer new insights? - What is the social and theoretical significance of your work? - How does it challenge current ideas and concepts?
Resonance	<ul style="list-style-type: none"> - Do the categories portray the fullness of the studied experience? - Do the findings make sense to those people central to the phenomenon? - Do the findings offer those people deeper insights about their lives and worlds?
Usefulness	<ul style="list-style-type: none"> - How can your analysis be applied in every day settings? - Does it suggest any generic processes? - Can the analysis spark further research? - How does it contribute to knowledge?

3.6. Research Design

Research design combines the intersection of paradigms, methodologies and research methods employed in a study in a master plan (Creswell, 2013) that deals with planning, selection of representative sample from the population, data collection and analysis, scope and time horizons of a study (Zikmund et al., 2012) in order to ensures that the evidence obtained will enable us to answer the research questions as unambiguously as possible (Bryman, 2012). Depending on these factors, scholars distinguish exploratory, explanatory, descriptive, experiment, longitudinal, cross-sectional and case study design (De Vaus, 2001).

Figure 3.5: Research Design Employed in the Current Study



Source: Author's original work

The study has employed an exploratory, cross-sectional research design (Figure 3.5) as the most effective route to the research questions of the study (De Vaus, 2001). An insufficiently researched phenomenon such as CSR in the Middle East

requires a substantial amount of exploration and flexibility for data collection and analysis (El Hussein et al., 2014). Moreover, CSR is a relatively new concept in the Middle Eastern region and as the pilot study demonstrated, it is difficult to identify a sufficient level of respondents for statistical analysis. Figure 3.5 demonstrates the study exploratory nature starting from the initial stage of research idea generation to pilot study, data collection and analysis and theoretical sampling, until the final stage of theoretical categories and substantive theory construction. The study design is further summarised in Table 3.2.

Table 3.2: Summary of the Study Research Design

	Procedure	Output
Pilot Study	Initial research idea	Research idea based on previous experience and interest in the area
	Review of empirical literature	Empirical literature was revised and gaps in knowledge identified. That served for development of RQ1, RQ2 and their sub-questions.
	Homogenous sampling	Criteria for identification of initial informative cases were developed.
	Corporate reports	146 sustainability, CSR and annual reports of 23 PLCs were analysed through content analysis.
	Stakeholder groups of importance	Main stakeholder groups of importance were identified. That assisted for a further development of RQ3 and an interview guide.
	Pilot interviews	The interview guide was tested and a few amendments applied. One additional research question (RQ4) was developed on the basis of the pilot interview data analyses and by following the analytic needs of the study. First, tentative categories were constructed and theoretical sampling initiated.
Main Study	Data collection and analysis	By following the analytic needs of my research, data were collected from additional stakeholder groups (SMEs, NGOs and GOs). Through abduction and constant comparison theoretical saturation was achieved. The categories were constructed.
	Review of theoretical/empirical literature	The categories were compared and contrasted with empirical and theoretical literature. As result of this comparison, the categories were raised to substantive theories.

Following abductive reasoning, the study combines exploratory stages of tentative category development with confirmatory phases of theory testing and

theory construction (Figure 3.5). My previous research experience (Chukov and Koleva, 2011; Koleva, 2010) served as a basis for identification of a specific research idea that was further supplemented and given a proper shape after assessing previous studies on the examined phenomenon. The identified limitations and gaps in academic research served for development on the first set of research questions (RQ1 and RQ2). Consequently, a homogenous sample, selected on the basis of specific criteria, helped me to identify the most informative cases for this specific stage of the study development. The sample was composed of 23 companies. Their corporate reports (146 in total) were analysed in order to: 1) confirm availability of CSR activity in the region; 2) confirm availability of data for analysis; and 3) identify companies that could eventually take part in the main study. The reports were analysed through content analysis that shed light on RQ1 and partially on RQ2. It also served as a basis for interview guide development and one more research question – RQ3. This additional research question was considered necessary in order to provide a better perspective of the phenomenon of investigation and to respond to the analytic needs of the study identified after the content analysis.

Consequently, I conducted four pilot interviews with representatives of PLCs. The data were analysed with standard GT tools. As result of the data analysis, I constructed tentative categories that identified specific analytic needs. These needs served as a basis for initiating theoretical sampling and collecting data from three additional sample groups. Additionally, a new research question, RQ4, was also developed that aimed to provide a better perspective on the examined phenomenon. The pilot interviews served for testing the interview guide as well. That procedure suggested a few amendments to the guide. The process of data analysis resulted in the construction of the Core Categories and their comprising categories. Then, the theoretical literature was accessed and compared with the theoretical constructs. The outcome of this processes resulted in the construction of the two substantive theories.

3.7. Sampling Strategies

Sampling plays an important role in the research design. Instead of focusing on the whole population, the researcher applies different techniques in order to select a sample to study (Creswell, 2012). Purposive - homogenous and theoretical sampling were employed correspondingly for the pilot and the main study. Purposive sampling involves “selecting groups or categories to study on the basis of their relevance to your research questions” (Mason, 2002: 93-94). The use of purposive sampling is in accordance with the study research strategy since the participants “need to be individuals who have taken an action or [are] participating in a process that is central to the grounded theory study” (Creswell, 2012: 114). Therefore, the researcher needs to identify and engage with individuals who are considered “information-rich cases ... those from which one can learn a great deal about issues of central importance to the purpose of the research” (Patton 1990: 169). The implementation of homogenous and theoretical sampling in the study is discussed below.

False Start with Sampling

The original idea of this research was to examine the subject of inquiry within the Middle East and North African (MENA) region, i.e. within fifteen countries covering the geographical area from Bahrain to Morocco by implementing a mixed study design. The initial sampling criteria was based on availability of CSR data, the company to be local and to be publicly listed since PLCs are more exposed to public scrutiny and as such more likely to be involved in CSR. As result the web pages of sixteen local stock and securities markets were retrieved and a list with all 1,533 publicly listed companies in the region was created. Subsequently, their web pages were accessed for CSR information. As a result, the number of the companies was reduced significantly and only 53 PLCs were recognised as corresponding to the above mentioned criteria. Further, secondary data (corporate reports) from the 53 PLCs issued from 2008 to 2012 were collected and analysed. That resulted in content analysis of 336 reports.

However, a few difficulties occurred with the initial sample. When I began contacting the sample companies and asked for participation in the main study (i.e. to interview them), I faced certain unexpected difficulties. The first one was to identify the person responsible for CSR in the company. In a region where trust plays a major role in human and business relationships, disclosure of contact information is (as I realised) highly unlikely. Then, I had to conduct phone calls with the sample companies but I faced additional difficulties – language barrier (with the North African companies) and the Arabic approach of implicit communication and indirect refusal (Hall, 1989), i.e. the person I was looking for was always in a meeting, or had suddenly left the company. I decided to visit the UK branches of twelve of the sample companies that have offices in London. Surprisingly, I had to deal with the fact that women (especially white and uncovered) do not visit those offices and thus I was not allowed to enter some of them. Even so, a briefing on my research and a letter confirming my status as research student from my university were left along with my contact details at each of these companies. I did not receive any calls and that required reconsideration of my sample.

With the passage of time I realised that the study's initial idea was not realistic since I was trying to identify potential informative cases for statistical analysis within a context where the phenomenon is still new and not widely implemented, especially in North Africa or in some areas of war conflict (such as Syria and Libya). Moreover, the study scope was too broad and was considering countries the majority of which were practically unaware of CSR, and I struggled in identifying CSR information from the very beginning. As result I decided to reconsider my criteria and focus on countries that have importance from economic, political and social perspectives, not only at regional but also at international level and of course, are investing resources in CSR activity. On the basis of these criteria I focused on the UAE, Saudi Arabia and Oman. These countries are rapidly developing economies with significant importance for CSR development in the region and as such were assumed as 'hosting' organisations that are informative for the current study. The UAE is the first country to

introduce CSR in the local market (Selvik, 2013) and invest significant resources in promoting CSR at local and regional levels. Similarly to Saudi Arabia and Oman, the Emirates are organising various CSR-awareness events, symposiums and conferences to familiarise and help local business with CSR implementation. Moreover, these three countries are leaders in the region in attracting FDIs and MNCs. That increases exposure to CSR activity significantly compared to other countries since MNCs are considered as the main exporter of CSR (Katsioloudes and Brodtkourb, 2007). Although the current study is not interested in MNCs, that significantly increases the possibility of CSR activity at a local level.

3.7.1. Homogenous Sampling

After reconsidering my initial sample, the total number of organisations having a homogenous nature (Creswell, 2009) – being listed on local security and stock exchange markets, in three Middle Eastern countries, Saudi Arabia, Oman and the UAE – was assessed. The identified 374 PLCs (see Appendix 2) and their web pages were retrieved for the criteria presented in Table 3.3.

Table 3.3: Homogenous Sampling – Criteria

Criteria	Justification	Outcome
To be publicly listed	PLCs are more likely to implement CSR	374
To implement CSR	CSR is the phenomenon of investigation in the study	79
To be local	This study is focused on local companies only	53
To disclose CSR information	That guarantees data for further analysis	23
		Final sample size
		23

From the initial 374 PLCs, only 79 companies were identified as implementing CSR activity. However, from this number only 53 were recognised as local companies – established and conducting activity in the UAE, Oman or Saudi

Arabia. When the last criterion was applied only 23 companies were recognised as responding to it and were identified as disclosing CSR information. As a result, 23 companies responded to the sample criteria and composed the initial sample of the study. Their demographic data is presented in Appendix 3. Consequently, their CSR, sustainability and annual reports issued for the last five consecutive fiscal years (2008-2012) were analysed (summary presented in Appendix 4) through content analysis (Section 3.9).

3.7.2. Theoretical Sampling

The content analysis and consequent results served as a basis for development of an interview guide that was subsequently tested with four pilot interviews. The pilot interviews (as well as the main interviews) were conducted with CSR executive directors or heads of departments since their decision-making role with regard to CSR gives them the status of “gatekeepers to local knowledge” (Bong, 2002: 4), and information-rich cases that would provide answers to my research questions. Some promising abstract categories were identified as result of the pilot interviews analysis but they were far from being clearly defined. The initial and theoretical memos suggested some analytic indications but a quick reading showed that too much was still unknown or assumed. As a result, theoretical sampling was employed in order to identify informative cases that would add analytic sharpness of the initial categories (Glaser, 2005). The sampling technique was performed after some categories were constructed, not before that (Charmaz, 2011).

Following the analytic needs of my work, data was collected from additional PLCs, small and medium enterprises (SMEs), non-governmental organisations (NGOs) and governmental organisations (GOs) resulting in identifying 63 informative cases. Sampling was suspended when theoretical saturation in all categories was achieved. Each of these 63 cases (Table 3.4) contributed to identifying the multiple perspectives on the phenomenon and obtaining first-hand information from their interaction with the phenomenon of inquiry.

Table 3.4: Theoretical Sampling – Number of Informative Cases

Country	PLCs	SMEs	NGOs	GOs
The UAE	5	13	-	2
Saudi Arabia	11	6	1	1
Oman	11	9	3	1
Total	27	28	4	4

The PLCs and SMEs helped me to identify the CSR perspectives of business entities and to examine in depth the stage of institutionalisation and operational implementation of CSR on internal and external level. Stakeholder engagement as part of CSR was examined, as well. Valuable information related to corporate priorities in developing CSR activities, motivations to engage with CSR and decision-making CSR related processes was collected as well. The interviewed executive directors / heads of departments / CEOs were rich sources of information due to their extensive knowledge of the phenomenon of inquiry and their direct responsibility for the CSR activity in their organisations. Collecting data from SMEs and PLCs was beneficial for the study since it also helped me to identify how companies of different size develop and apply CSR.

In addition to the corporate segment, I also interviewed CEOs of local NGOs. That enriched my data significantly because NGOs rely heavily on support from the business sector in order to conduct their activities. Here, I have to note that the current study would have not been completed without the NGOs' participation because, as suggested through the pilot data analysis, they benefit significantly from the CSR activities of local business and consume a great portion of their CSR efforts. Therefore, NGOs participation in research of this nature is necessary. That decision helped me to obtain a better perspective on how local organisations engage with local communities and external stakeholders as part of CSR.

Additionally, I had the privilege to interview executive directors of local governmental institutions that have the policy-making responsibility and authority to regulate and coordinate CSR activity at a national level. This first-hand

information was especially beneficial for my work because it helped me not only to understand what the local governmental CSR position is, but also to obtain insightful information on governmental efforts, regulations and internal affairs in regard to CSR; and to interview participants having policy-making power in the country.

The combination of these four groups helped me to obtain a complete perspective on what CSR in the region is for the business, governmental and community sectors. Thus, all pillars of the country – society, business and government were covered. That gives credibility and originality to the substantive theories constructed (Chapter 7).

3.8. Data Collection

This section annotates the data collection procedures performed in the study. It also justifies their use and discusses the issues associated with the selected methods.

3.8.1. Corporate Reports

Document analysis is considered particularly suitable for organisational analysts who aim to study how agencies and companies represent themselves to the larger public and their stakeholders in relation to a specific phenomenon (Charmaz, 2014b). Although researchers tend to undervalue document analysis's potential for theorising, it is well appreciated by grounded theorists and used as primary or supplementary sources of data (Strauss, 1987; Glaser, 1978; Glaser and Strauss, 1967).

Secondary data in the form of corporate reports (115 annual, 16 CSR and 15 sustainability reports summarised in Appendix 4) have been analysed in order to confirm availability of CSR data, to identify the stage of development of CSR in the examined context and to identify informative cases for interview data

collection. The information obtained shed light on the first three research questions and also served for development of the interview guide.

Given the research issue and research questions, consideration of CSR reports as part of the secondary data analysis is necessary since they disclose information with primary importance for the current study. However, the study also considers annual reports for content analysis as organisations utilise them to disclose CSR information as well (Jizi et al., 2014). This is also necessary since the information provided in the annual reports is under CEO and board of director control as well as largely audited by specialised national and international agencies (Jo and Harjoto, 2011), whereas auditing of CSR reports is not obligatory (Pflugrath et al., 2011). This suggests that the CSR information provided in annual reports is more reliable than the information publicised through CSR reports (Jizi et al., 2014). Moreover, compared with specialised CSR reports, annual reports tend to have a wider scope on stakeholder engagement (Perego and Kolk, 2012) which is essential for the research questions of the study. Finally, sustainability reports were also considered for content analysis since they are perceived as an important source of social and environmental information and information related to stakeholder engagement (Manetti and Becatti, 2009).

3.8.2. Strengths and Weaknesses of Corporate Reports

Considering corporate reports as secondary sources for content analysis is associated with a few strengths. Annual reports are prime materials to examine with regard to organisational interaction with their environment (Dirsmith and Covalesski, 1983) and for that reason a significant research steam has examined the various types of corporate information disclosed by organisations (e.g. Ingam and Farzier, 1983; Wiseman, 1982) and their impact on corporate performance (Ullman, 1985; Bühner and Möller, 1985). Moreover, annual reports are considered as highly reliable sources of information compared to interviews or questionnaires since senior executives “spend considerable time outlining the content of the report, sketching out much of it, and proofreading and changing most of it to their taste” (Bowman, 1984: 63).

However, annual reports have also been criticised since they can also be prepared by a public relations specialist rather than the executive team and thus suffer from significant bias in the reporting of organisational actions and outcomes (Duriau et al., 2007). Scholars advise that researchers must be aware of the communication strategies of the executive team with stakeholders and recommend focusing on non-evaluative statements (Fiol, 1989).

In the current study, three sets of corporate reports were collected and compared from the homogenous sample as that approach aimed to overcome any potential biases in the CSR engagement related information disclosed by organisations (Ullman, 1985). Moreover, the content analysis findings were compared with the interview data supplemented by Charmaz's (2014a: 49) statement that grounded theorists "often combine analysis of organisational documents with other kinds of data" and that help them avoid weaknesses associated not only with organisational documents (Duriau et al., 2007) but with interview data as well (Locke, 2001).

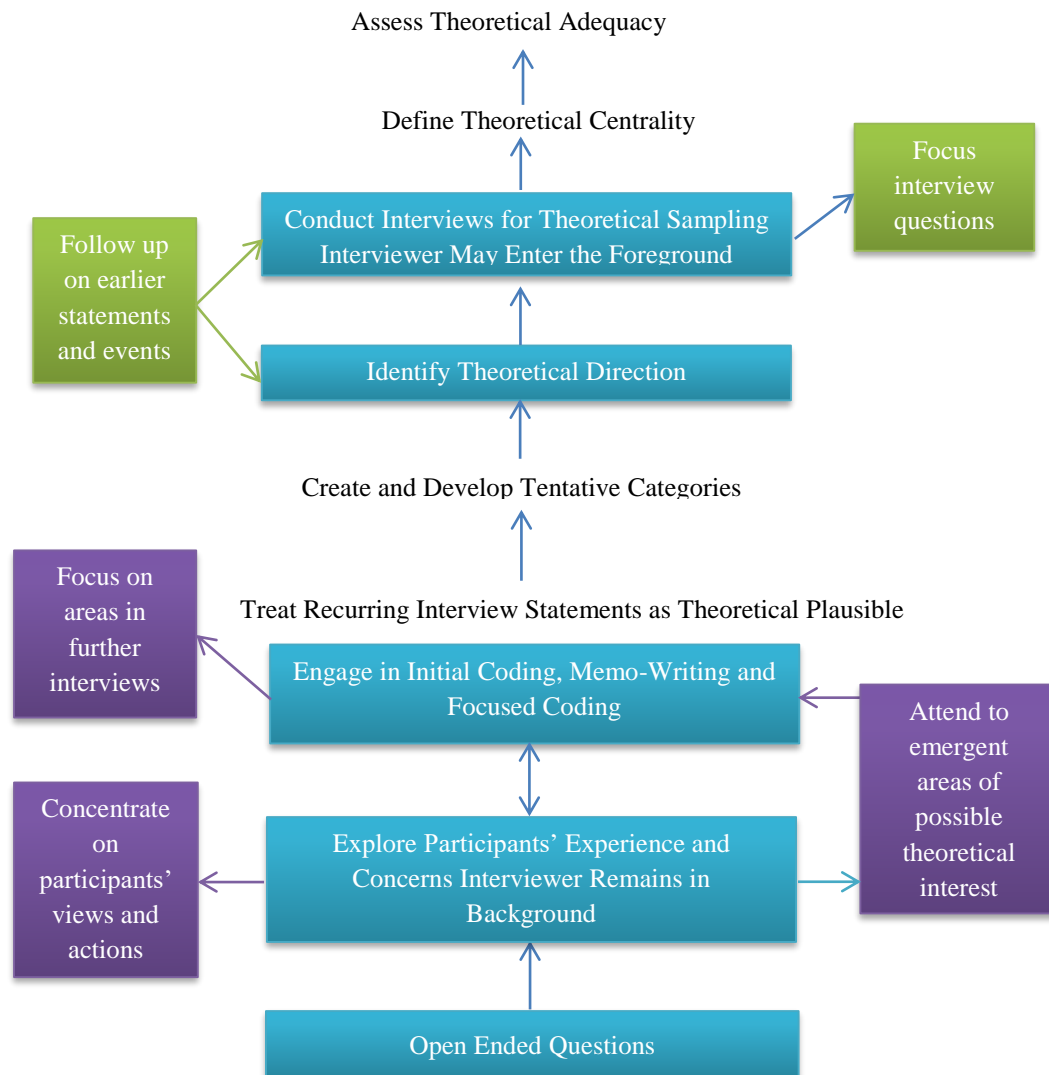
3.8.3. Intensive Interviewing

Interviewing is the most commonly employed data collection technique in Grounded Theory studies (Birks and Mills, 2011). It is argued that interviewing in Grounded Theory is relatively unstructured but consequently obtains a certain 'shape' by following the theoretical needs of the emerging categories (Lofland and Lofland, 2006). For that reason, Charmaz (2006) encourages use of intensive interviewing.

Qualitative studies rely on informational, investigative and intensive interviewing strategies (Harkers and Warren, 1993). Informational interviewing aims to gather information about facts, demographic questions and descriptions of events, chronologies, places and the people involved (Crosby, 2002) while investigative interviewing seeks for uncovered details, hidden actions and intentions policies (Fisher and Geiselman, 1992). Grounded theorists may employ informative and investigative strategies but rely mainly on intensive interviewing (Charmaz,

2014a), which is the primary data collection technique employed in the current study (Figure 3.6).

Figure 3.6: Interviewing in Grounded Theory Studies



Adopted from: Charmaz (2014a: 88)

Charmaz (2014a: 57) identifies intensive interviewing as significantly different from standard qualitative interviewing techniques that “rely on conducting a more or less directed conversation”. Qualitative techniques affect the degree to which the interviewer directs the interview process where depending on how structured the interview is the interviewer will ask the same questions (structured and semi-structured interviews) or topics (non-structured interviews) with all participants

(Lofland and Loflan, 2006). Thus, we have interviews directed by the interviewer (Dotson, 1954).

While qualitative techniques can be particularly useful for exploratory studies (Kvale, 1983), the logic behind Grounded Theory Studies (Figure 3.6) requires adoption of a data collection technique that is flexible, modifiable and guided by theoretical needs of tentative categories (Egan, 2002). No interview is similar to another interview, especially in constructive Grounded Theory where participants' experience and voice are particularly important (Birks and Mills, 2011) and the study is in a continuous state of modification and change being guided by theoretical sampling (Fend and Sachs, 2008; Dey, 2003) and unexpected findings (Reichertz, 2010). Grounded theorists construct studies largely guided by those factors, not the other way around (Annells, 1996) and intensive interviewing technique fits those needs particularly well (Gill, 2014).

The flexibility of intensive interviewing permits interviewers to explore ideas and issues immediately when identified during the interviews (Dey, 2007; 2004). The interview direction changes and the interviewer pursues more understanding of new issues (Bryant and Charmaz, 2007). That stimulates collection of rich and insightful information that help the grounded theorist to construct theoretical plausibility, direction, centrality and adequacy in the categories (Charmaz, 2014b). For that reason, the flexibility of intensive interviewing is considered particularly suitable for exploration of phenomena within different time and contextual settings as the interviewing approach, interactional style, and specific word choice have to be adapted in order to demonstrate the interviewer's respect of the traditions and situations of the interviewed participant (Gill, 2014; Urquhart, 2012).

That was particularly relevant to my interview experience since I had to adjust my approach to various sample groups composed of even more varying participants with different personalities, communication styles and interest towards the phenomenon. The interview data was collected from three countries that

regardless of their numerous similarities have certain differences and that required further modifications of my interview style. Moreover, following the theoretical needs of the categories, or new ‘surprising’ facts identified in the interviews, the interview process was also changing.

Pilot interviews

Data collection was initiated in February 2014. I sent twenty-three emails to all companies composing the homogenous sample in order to invite them to take part in the study. In the email, I explained clearly the study purpose and their potential role in the research as I also attached an official letter confirming my status of research student. I received one positive answer in the first week and as result the interviews were initiated. A week later, three more participants responded positively to my inquiry. The data collection and analysis were held simultaneously in accordance with GT (Charmaz, 2006). Each interview and consequent data analysis served as an informative step that would determine the direction of the next interview (Urquhart, 2012). The interviews were held in real time. One of them took place via the company’s intranet and the other three by utilising software programs for real-time conversations. The pilot phase of this study collected data from CSR directors of three Saudi Arabian PLCs and the CSR director of one Emirati PLC.

Interviewing for the main study

The pilot study set up the foundation for the main study. The pilot data analysis resulted in the construction of a few categories. The results also suggested some amendments to the interview guide as well as modification of the study sample. Following the theoretical needs of the initial categories, sampling of SMEs along with PLCs was considered and consequently identified as necessary in order to obtain theoretical plausibility in the tentative categories (Glaser, 1978). Therefore, I started inviting companies to take part in the study by email or direct phone call. Personal contacts with professionals working in the examined countries were approached as well. That decision proved to be especially appropriate for the Middle Eastern context since trust and personal relationships are essential for

Middle Eastern society (Hall, 1989). Being introduced by a person they already consider trustworthy (Hofstede et al., 2010) increased significantly my chances to receive a positive response on my interview inquiry.

By the end of July 2014 I had eleven interviews. In August 2014 I travelled to the UAE and Oman in order to collect my main dataset. Before my trip, I arranged as many interviews as possible so I could make beneficial use of my time in the Middle East. This trip was extremely important for me and my study because it helped me to immerse myself in the region completely and understand better the local mentality and way of thinking. That contributed significantly to my study and gave additional analytic sharpness to my categories (Charmaz, 2014b). Moreover, the trust-related issues I faced in the initial stages of the data collection were overcome because my participants had a chance to communicate with me face-to-face. That gave me more credibility and minimised any potential insecurities related to taking part in the research. Participants were also comforted by the fact that most of them were introduced to me by people they already had trust in. That helped me to avoid months of intensive work and investment in relationships which is practically the only way the Middle East works (Hall, 1989). Instead, I had the unique opportunity to become accepted as a natural part of the region being researched (Denzin and Lincoln, 2003).

My meetings started the day after my arrival in Dubai. The unofficial working time in the Emirates finishes around noon and it is difficult to find someone in the office afterwards. That helped me to develop new skills. I spent my time simultaneously going from one meeting to another and approaching potential participants over the phone. I never received a negative reply to my invitation for interview but was rather asked to email additional information or to call again. That is in accordance with the Arabic inability to give a negative answer (Hall, 1989). In about nine days spent in Dubai and Abu Dhabi, I conducted seventeen face-to-face interviews. Then I spent fourteen days in Oman where I conducted nineteen interviews.

Prior to formally commencing with the interview a process of comforting the respondents with a clear explanation of the interview settings was provided (Section 8.6). Then I aimed to create trust and a positive atmosphere by encouraging respondents to ask me questions before proceeding with the interview. This change in the roles created a good sense of comfort and was an important element in the initial ice-breaking moments. Usually the participants asked questions regarding my unusual interest in their country and religion. They were genuinely impressed by my commitment to my research that made me fly all the distance from London to the Middle East, a place I was visiting for the first time. This gave room for interesting discussion that set up a positive environment where the respondents could disclose additional aspects related to the main research questions. After the interviews I sent follow-up emails to all the participants in order to thank them for the contribution to my study.

During the trip I had a chance to meet in person eight of the initial eleven respondents and conduct secondary interviews with them. This approach was particularly important because it helped me to compare and verify the results obtained from the first interviews with the second ones; and to compare two sets of data collected in different time and space settings (Charmaz, 2014a). That contributed significantly to the theoretical plausibility of the categories (Denzin and Lincoln, 2003).

The data from Saudi Arabia was collected online (Table 3.5). In total 63 interviews with representatives of all sample groups from three Middle Eastern countries – the UAE, Oman and Saudi Arabia – were conducted. The interview data collection continued until theoretical saturation of the categories was achieved.

Table 3.5: Modes for Conducting Interviews

Country	Face-to-face ^a	Phone	Total
The UAE	18	2	20
Oman	19	5	24
Saudi Arabia	19	-	19
			63

a) Includes both interviews conducted online and by visiting the organisation in person. Seventeen of the UAE interviews were conducted during my visit but one interview took part during the pilot study.

3.8.4. Strengths and Weaknesses of Interviewing

The rationale for interviewing is based on the idea that “people are experts on their own experience and so best able to report how they experienced a particular event or phenomenon” (Darlington and Scott, 2003: 48). Considering the methodological grounding of the study, the position that intensive interviewing allows researchers to “focus on research participants’ statement about their experience, how they portray this experience, and what it means to them” (Charmaz, 2014a: 58) is particularly relevant. Gill (2014) emphasises that intensive interviewing affords flexibility to the data collection process and assists the researcher in clarifying in great detail issues emerging during the interview. Interview questions open the interview conversation but the issues identified during the interview and the study analytic needs are actually the factors leading the intensive interview process (Urquhart, 2012). That differs from other interview methods where the interviewer must be conscious of not leading the interview – the so-called “law of nondirection” (McCracken, 1988: 21) – and minimises any potential bias resulting from the interviewer since she is not engaged in rigid direction of the interview when the interview quality can be compromised but is there to observe and guide the conversation in a direction suggested by *the study* analytic needs (Charmaz, 2014a).

However, as with any data collection technique, intensive interviewing is associated with a few weaknesses that might risk the quality of data and thus they

have to be avoided. Both the interviewer and the interviewee bring their experience, past, and concerns in the interview process and they might not be entirely compatible (Egan, 2002). If participants decide to take part in the study their reservations might affect the quality of the information obtained. They might raise questions related to how and where the data will be used, who is supporting or sending the interviewer; questions about their anonymity and use of the findings (Urquhart, 2012). Moreover, participants' honesty in the responses given, getting them to engage in the interview conversation should be considered too (Fielding and Thomas, 2001).

Issues related to ethics were carefully assessed. Any potential bias resulting from the points made above was avoided by carefully familiarising participants with the study purpose, my own interest in it and the institution that supports me as a research student (for more information see Section 3.8.6). With regard to respondents' reservation to speak and engage, or to be explicit and honest in their responses, I did not meet any difficulties. Contrary to the negative experience faced in London, participants in the Middle East expressed willingness to contribute and participate in the study. Their responses were very detailed and specifically explicit with regard to respondents' experience of the phenomenon. There was no bias resulting from the interviewer background (gender, religion, nationality or age) and respondents felt secure and comfortable sharing information with me. That resulted in rich data and unexpected insights that were subsequently analysed and compared with corporate report findings in order to avoid potential bias in the interview findings.

3.8.5. Interview Guide

The use of an interview guide is recommended for novices since it gives a degree of structure and direction to the study (Creswell, 2009). Being one, I used a guide that was informed by the results obtained from the corporate report content analysis, engagement with existing empirical research and my own perspectives based on previous experience in the area of research. Having drafted the interview guide, it was tested with the four pilot interviews before commencing the main

data collection. The purpose of this was to develop my own interviewing skills and to see how participants reacted to the questions. That resulted in making several amendments to the guide. The second guide was utilised for the main data collection. The first and the second interview guides can be seen in Appendices 5 and 6, respectively.

The interview questions were specifically focused on examining the participants' views and experience with the phenomenon of inquiry. However, these questions served as a guiding mechanism, not to be followed rigidly (Urquhart, 2012). For me, it was more important to obtain information that would provide answers to the research questions than to cover my interview guide (Charmaz, 2014a). Moreover, following the interview technique employed, new issues were identified during the interview process that required further discussion that was not initially considered (Charmaz and Belgrave, 2012).

The interview guide (available in Appendix 6) begins with a set of two questions concerned with the respondents' views and perceptions of the phenomenon of examination. By asking these questions I aimed not only to obtain answers to my research questions, but also to create a dialogue around the notion of CSR and to identify potential themes related to the driving factors behind this view that can be discussed further. Moreover, these two questions set the tone of the interview and created an indication of its overall purpose.

The second set of questions aimed to establish a dialogue regarding the CSR initiatives of the organisations, the practical implication of CSR as part of the business operations (or not) of the companies; the overall stage of development of the CSR practices in the examined context and the level of institutionalisation of CSR as a separate (or not) department. Due to the second set of questions I succeeded in identifying the strategic orientation and planning of the CSR initiatives implemented in the companies and their alignment with the long-term business operations. The information obtained from these questions usually complemented the respondents' answers to the first set of questions.

The next question aimed to shed light on the stakeholder management processes in the organisations as part of CSR. They were focused on identifying stakeholder power, what constitutes stakeholder power for the examined organisations and very importantly, to indicate the stakeholder groups of importance for the CSR agenda of the organisation. The information obtained from these questions helped me to identify the overall notion and perceptions of the role of business and its responsibilities towards community.

The next two questions aimed to identify the respondents' motivations for involvement in CSR. These questions helped me to gain rapport for the following two questions that were related to the impact of Islam. There was direct link between motivations and religion. The last two questions aimed to identify the external and internal factors that impact on CSR development as a corporate practice in the examined context. I used these final questions to close the discussion and give the opportunity to the participants to reflect on their answers (Charmaz, 2006).

Two additional interview guides were developed consequently in order to interview representatives of local NGOs and governmental institutions. The interview guides are available in Appendices 7 and 8.

3.8.6. Ethical Consideration and Interview Procedure

The interviews were conducted in a transparent procedure presented in Table 3.6. This procedure ensured control over the interview process and positive interview environment. My experience showed me that using grounded theory across different societies can change research relationships (Charmaz, 2014b) as I had to be accepted by the research participants almost instantly. That required a significant flexibility.

Everything counted – starting from email exchange, my personal and professional background, my family history, the institution I represent, the history (and reputation) of the institution I represent, the body language and tone of my voice

during the interview sessions and so on. The research settings varied in the three examined countries as did my attitude towards the interview situation too. For instance, the interview meetings in the UAE were very professional and although the above-mentioned factors counted, their importance was significantly less compared with Oman and Saudi Arabia. If a meeting in the UAE was planned to be two hours, that time constraint would have been kept almost strictly. Respondents were happy to contribute and to share documents and reports related to CSR. Very often after the interviews they would take me on a tour around the company, too. These observations helped me to see evidence of their CSR activity and to discuss it with their employees. From the seventeen interviews conducted fourteen were with men and three with women.

Table 3.6: Interview Procedure

Type of interview	Intensive interviewing; Face-to-face or by phone
Approximate length	90 minutes
Respondents	<ol style="list-style-type: none"> 1. Corporate sector (SMEs and PLCs): CEOs and CSR Executive directors / Heads of CSR / sustainability departments 2. Non-governmental organisations: CEOs 3. Governmental organisations: Executive directors
Approach	Information exploration
Place of interview	Organisation offices or conference location
Language of interview	English
Confidentiality	Explicitly clear that this research has an academic purpose and the identity of the individual or the organisation will not be revealed.
Recording responses	Interviews were recorded only after the explicit agreement of the participants as they were assured that the records will be erased after transcription.
Type of questions	Exploratory questions.

In Oman perceptions of time varied significantly. Meetings rarely started at the intended time and with no exceptions exceeded the initial arrangement. A ‘welcome’ portion of time of approximately half an hour was a must where I and

the respondent discussed the above-mentioned issues, information about the Sultanate, the personal and professional background of the respondent. Although the ‘trust’ factor was a significant reason for their approach, respondents were also aiming to make me feel welcomed in their country, to familiarise me with the uniqueness of their country and to build trust. Food and drinks were an essential part of it, too. Meetings after the interview where respondents would take me on a tour around the company and would share reports and documents with me were essential part of my interviews in Oman as well. Nineteen interviews were conducted with a representative of the Omani organisations – eighteen men and one woman.

The interviewed respondents in Saudi Arabia were men only. As mentioned above, the interview data from Saudi Arabia was collected online. To a high extent that probably explains the initial reticence of the respondents and their short answers on the interview questions. The Saudi respondents paid more attention to my background and asked more questions compared with the Omani and the UAE respondents. That required patience and understanding from my side. That initial reserve was minimised after ensuring the respondents that they were communicating with a person with significant research experience in the Middle East and the information shared would be used strictly for academic purposes. The Saudi respondents were men only.

Language is central to interviews and data analysis. The official language of communication and interview discussion with the respondents was English. That helped me avoid potential bias in the interview data as result of using the services of an interpreter or translating the interviews from Arabic to English language (Charmaz, 2014b). That was not necessary since all of the participants were fluent in English, as the majority of them have completed their formal education in English-speaking countries.

The participants in this study needed to be assured that their reputation or the reputation of the organisations they represent would not be affected negatively by

participating in the study. Only a few of the interviewed individuals expressed interest in acknowledging their participation, mainly in the SME sample while the majority of the respondents preferred their identity and the identity of the organisation they represent to be confidential. This is understandable considering the positions held by some of the respondents. I had the privilege to interview representatives of leading organisations from different industrial sectors; representatives of governments and institutions that would not have revealed the insightful information they shared me with if I intended to reveal their identity. For that reason, I used initials (McCann and Clark, 2004) to represent them. In Appendix 9 all the participants are arranged in an interviewing order where their sample group, country of activity and industrial sector (not applicable for governmental and non-governmental organisations) are also annotated.

I asked for their permission to record the interview conversation. Then I clearly explained that this research has an academic purpose and the information obtained would not be shared with third parties or used for purposes outside of this study. I also assured them that records would be erased once transcribed. Even so, two of the participants in this study preferred not to be recorded. The other sixty-one participants agreed to be audio-recorded. The interviews duration was approximately 90 minutes. A large amount of data was generated which were transcribed and saved to ensure confidentiality. As promised to the participants, the recordings were erased after transcription. All the participants answered the interview questions apart from one who preferred not to respond to some of the questions.

3.9. Data Analysis

This section discusses in brief the data analysis techniques applied in the study. A detailed presentation of the procedures performed is presented in Chapter 4.

3.9.1. Corporate Reports

Corporate reports were analysed through content analysis. Content analysis is a data analysis technique that allows making replicable and valid inferences from text (or other meaningful materials) to the context of their use by applying specialised procedures (Krippendorff, 2004). It is a very flexible medium that can be applied to different communication sources – text, audio, and video format (Bryman, 2012) and provides better understanding and perspective of a particular phenomenon by classifying the elements (e.g. words) of a particular material (e.g. text) into much smaller meaningful content categories (Elo and Kyngäs, 2008).

Content analysis could be applied to qualitative or quantitative data in an inductive or deductive way, depending on the research purposes (Neuendorf, 2011). The inductive approach is generally preferred for insufficiently researched areas (Elo and Kyngäs, 2008). In the case of the present study, it was applied in a manner that allowed me to derive meaningful information out of the corporate report data.

3.9.2. Interviews

This section details the process of interview data analysis as discussed in Section 3.5.2. According to Coyne and Cowley (2006: 503), the process of theory construction is “one of deconstruction and reconstruction of the data”. This illustrates precisely what takes place during data analysis (Charmaz, 2006). Considering the non-linear nature of this process, presenting it in a linear manner is problematic. Therefore, the reader should keep in mind that although the process of data collection, analysis, coding and comparison are discussed sequentially below, in reality they have been concurrent to varying degrees.

Transcribing Data

The data analysis process in Grounded Theory begins when the first interview is completed. Immediately after the interview, the researcher is required to write an

initial memo in order to record her impression from the interview process and first insights obtained from the information gathered (Glaser, 1978). The interview should be transcribed as soon as possible while the tone of the interview and the researcher's impressions are still fresh (Bryant and Charmaz, 2007). Charmaz (2008) encourages grounded theorists to transcribe their own data since it gives them a chance to reconnect with the original interview experience and to enhance the theoretical sensitivity of their analysis. Although transcribing interviews could be a very time-consuming procedure that in my case required approximately eight hours for interview, I preferred to perform it independently and get a chance to immerse myself in the data (Locke, 2001). After the interview transcription, the transcript accuracy was verified through simultaneously listening to the original interview record and revising the transcribed text.

Coding

Charmaz (2014a) advises grounded theorists not to postpone the data analysis since it could affect the theoretical sensitivity of their categories and to perform it as soon as the interview is transcribed (Charmaz and Belgrave, 2012). According to Star (2007: 80), “a code sets up a relationship with your data, and with your respondents” and is the composing element of an analytic procedure related to “naming segments of data with a label that simultaneously categorises, summarises, and accounts for each piece of data” (Charmaz, 2014a: 111). Coding in GT is the link between collecting data and constructing a substantive theory (Bryant and Charmaz, 2007) as it identifies the study's theoretical needs and directs the data-gathering (Glaser, 1992). Coding in GT is used to capture what is in the interview data and to learn how people perceive the phenomenon and their experience (Thornberg, 2012) by giving a more abstract interpretation of the interview data (Charmaz, 2006).

Constructing Categories

After coding several interviews, the researcher starts identifying similarities between codes that indicate similar issues regarding the phenomenon of investigation. That identification represents a category – an abstract

conceptualisation that forms the components of the substantive theory (Charmaz, 2014a). Categories are composed by properties and boundaries usually constructed as result of abduction that represent an understanding of the studied phenomenon and are situated in the specifications of the time, place, people and circumstances of their construction (Charmaz, 2014a).

Memo Writing

The process of collecting, analysing data and constructing categories is supplemented by memo writing. Memos are analytic tools that when used properly can add analytic sharpness to the substantive theory by serving as journals for the logic behind construction of the categories, analytic codes and identification of informative cases for data collection (Charmaz, 2006).

Theoretical Sorting, Diagramming and Integrating

Sorting, diagramming and integrating the memos are interrelated processes where the memo sorting may integrate the analysis and be presented in a diagram. All qualitative researchers use similar methodological strategies for sorting and integrating their analysis; however, in GT these strategies are applied for theory construction (Charmaz, 2014a; 2008). Sorting of memos is usually composed of the following steps (Charmaz, 2014a: 218):

- Sort memos by the title of each category
- Compare categories
- Use the categories carefully
- Consider how their order reflects the studied experience
- Not think how their order fits the logic of the categories
- Create the best possible balance between the studied experience, the categories, and the theoretical statements about them.

Usually these steps result in diagramming. Integrating of memos is the next step which needs to be performed through ordering memos in a process, or arranging them around a major category and deciding on how the memos fit in it. As a result

of sorting and integrating memos, some implicit theoretical codes may be explicated if considered theoretically implausible or not representative of the phenomenon of inquiry; or result in seeing theoretical links between categories initially considered implicit (Charmaz, 2014a).

Constant Comparison

Thorough the process of data analysis and theory construction, a constant comparison between different sets of codes, categories, memos, or all the above outlined analytic tools should be performed. Constant comparison as the main analytic tool in GT follows adductive reasoning and occurs on a constant basis in the research process (Glaser, 1978).

Using Software for Data Analysis

It must be clarified that coding of data was performed manually as no qualitative data analysis software (QDAS) was used for that purpose. QDAS can be particularly helpful for coding of data in some qualitative studies, but not in the case of Grounded Theory research. As Glaser and Holton (2004) state, “The constant creativity of sorting memos prevents the use of computer sorting as used in QDA work”. This type of inquiry requires a complete immersion of the researcher into the research as the use of a software program would defile the theoretical sensitivity of her work. Further, Grounded Theory is a complex and time-consuming strategy which requires a particular set of guidance to be followed and performed during the research which could be overestimated if a QDAS was used. Although performing GT manually could be a very extensive task, it was the preferred method applied in the study.

3.10. Theorising

The overall purpose of this study is to construct a substantive theory for CSR of the Middle Eastern countries. However, before proceeding with examination on how this process was performed (Chapter 4), we have to make a clear identification of what can be considered “as a ‘bona fide’ *theory*” (Charmaz, 2014a: 227, italics in original).

Perhaps the most prevalent understanding of theory is derived from the positivistic school of thought according to which theory means “a general proposition, or logically connected system of general propositions, which establishes a relationship between two or more variables” (Abend, 2008: 177). In this view, positivists seek parsimony and prediction, causes and universality (Turner, 2006). On the other hand, interpretivists emphasize on providing an abstract interpretation of particular observable phenomena (Creswell, 2009) that aims to understand how social actors construct the meanings and actions attached to the studied phenomenon. Thus, these theories are a subjective reflection, truth is provisional and knowledge is situated and located within particular positions and experiences (Barbour, 1998).

On the basis of their scope, theories can be further identified as substantive or formal theories. According to Glaser and Strauss (1967), substantive theories are “grounded in research in one particular substantive area, it might be taken to apply only to that specific area” (p. 79). A substantive theory “fits the real world, works in predictions and explanations, is relevant to the people concerned and is readily modifiable” (Glaser, 1978: 142). A substantive theory is focused on a particular empirical area of sociological inquiry (Glaser, 1978) and seeks to provide a theoretical interpretation or explanation of observable phenomena within the same area (Strauss and Corbin, 1998).

On the other hand, formal theories are defined as “a theory of substantive grounded theory core category’s general implications generated from, as wide as possible, other data and studies in the same substantive area and in other substantive areas” (Glaser, 2007: 4). They are developed for a formal or conceptual area of sociological inquiry (Lee, 1991). Formal theories are more abstract and provide theoretical explanation of a generic issue that can be applied to a broader scope of disciplinary concerns and problems (Laudan, 1996). The results of several substantive theories can be combined and conceptualised to develop a more general, abstract formal theory (Charmaz, 2006).

In addition to theorising, we can also distinguish micro, middle-range and macro social science theories in order to point the scale of analysis encompassed by a theory (Ritzer, 1990). In general, micro level theories are concerned with the social actors within organisations; middle-range theories seek a solution to problems at an intermediate organisational level; and macro theories are focused at the level of social institutions (Ritzer, 1990). The substantive theories of the current study could be classified as middle-range level of analysis since they encompass the phenomenon of study on multiple analytic levels – organisational, social and governmental.

3.10.1. Theorising in Grounded Theory Studies

As Charmaz (2014a:233) states, “theorising is a practice” and it entails practical activities for engaging the world while constructing abstract understanding about it. The fundamental contribution of Grounded Theory is that it guides the interpretive theoretical practice, but does not provide “a blueprint for theoretical products” (Charmaz, 2014a: 233). Thus, interpretive theorising in Grounded Theory arises from social constructionist assumptions derived from individual, collective and institutional situations based on the symbolic interaction between involved actors (Tavory and Timmermans, 2014; Maines, 2001; Alasuutari, 1996).

Theorising in Grounded Theory requires “stopping, pondering and thinking afresh” (Charmaz, 2014a: 244). That allows the grounded theorists to see possibilities, establish connections or ask questions once the data analysis is completed. However, it is very important to clarify that even when the data analysis is completed and all categories and properties are constructed, theorising is still an on-going activity. Grounded Theory follows abductive reasoning that continues even during the writing-up when new unexpected insights might occur at any point (Gasson, 2004). With regard to the study, theorising continued until the last stages of writing-up when new insights, findings and avenues for contributions were still attracting my attention.

Moreover, use of gerunds for coding foster theoretical sensitivity of theoretical categories because they enact processes rather than constraining data within preconceived topics (Charmaz, 2006). Relying on preconceived topics may lead to highly descriptive grounded theory studies with a limited analytic momentum (Thornberg, 2012). The categories reflecting the data most effectively, with the higher analytic power, are raised and grouped together. A grounded theorist should be able to make an informed decision which categories have minor and which ones major analytic value. Once this decision is taken, we group the categories and explicate their properties and connections to other categories (Charmaz, 2014a). The process of theorising continues with raising categories to core categories. That means “subjecting them to further analytic refinement and involves showing their relationships” (Charmaz, 2014a: 247). For the objectivist, core categories represent core variables with explanatory and predictive power, while for the constructivist they provide an abstract understanding of relationships (Timmermans and Tavory, 2012; Alasuutari, 1996).

Constructive approach to theorising in Grounded Theory places priority on the examined phenomenon and treats data and analysis as created by the experience of the participants and the researcher (Suddaby, 2006). Constructivist grounded theorists seek to study “*how* – and sometimes *why* – participants construct meanings and actions in specific situations” (Charmaz, 2014a: 239, original emphasis) by taking a reflexive and interpretive stance. That leads to construction of abstract categories with high analytic value that are consequently formulated in a theory (Charmaz, 2006).

3.11. Methodological Issues

This section discusses some of the issues associated with the research strategy employed with regard to limitations of the study. The need for research reflexivity is discussed too.

3.11.1. Weaknesses in Applying Constructive Grounded Theory

Every research strategy has some level of weaknesses. Charmaz's (2006) GT version is not an exception. The weaknesses in her approach to GT can be presented in the following way.

Interviewing: Charmaz (2006) applies a lengthy interview approach where the researcher relies to a high extent on the research–participant longitudinal relationship (Glaser, 2002). She very often involves long-term observations in her studies and interaction with the participants that enable building of trust and relationships. That could affect the reflexivity and conceptualisation of the studied phenomenon.

Moreover, an interview guide is rarely used by Charmaz and the interview direction is guided by the researcher/participant (Charmaz, 2014a). That could result in forcing the interview in a fashion that would seek specific factors *expected* by the interviewer to occur in the data. As such, we can argue whether the data collection is guided by the categories' analytic needs or the researcher's assumptions and expectations for specific results.

Methodological positioning: Charmaz (2000) explicitly identifies differences between objective and constructive GT. She considers as signs for objectivism the use of the following terms (in italics) in GT studies: “collection, and representation [of data are] unproblematic; they *become given*, rather than constructions that *occur* during the research process, and they shape its outcome. Objectivists assume that data are self-evident and *speak for themselves*.” (Charmaz, 2008: 402, emphasis added). I agree and believe that use of terms such as ‘*become given*’, ‘*occur*’, ‘*speak for themselves*’ indicate objective positioning and impact of external forces that *occur* independently in the research context and drive the data analysis and categories in a fashion that would result in the above mentioned factors. These terms suggest that social actors are static observers of those forces. Moreover, the formulation ‘*speak for themselves*’ indicates existence

of one reality where the categories would assume one universal truth. Their ability to '*speak*' highlights categories' independent capacity to communicate information that would hold the same meaning to every actor regardless of the surrounding environment.

However, when comparing these statements with Charmaz's studies, we can identify contradiction between what she says and what she actually does. In Charmaz (2012: 8-9, emphasis added) she advises novices to GT that "comparing data and codes lifts the analytic level of your *emerging* interpretations of the data" and "Study the codes and ask: What analytic story do these codes *tell*? To which theoretical issues and debates do these codes *speak*?" Categories and codes 'emerge' in her studies as "*Grounded theorists' categories and concepts can travel*" (Charmaz, 2012: 11, original emphasis). Confusion continues when Charmaz (2000: 15, emphasis added) states that "The grounded theorist's analysis *tells a story* about people, social processes, and situations".

It is important to remember that constructivist philosophy professes that actors are voluntaristic and they have the power to compose the story – it does not simply unfold before the eyes of an objective viewer. Again, '*telling*' indicates ability of a category, code or concept to communicate one universal truth to all involved actors and that is in contradiction with the basic notion of constructivism.

Moreover, in a book chapter titled "Grounded Theory as an Emergent Method" (Charmaz, 2008) states that "The overriding stated objective of using grounded theory is to *generate emergent* theories from the data that account for the data" (Charmaz, 2008: 157, emphasis added). However, as Daly (2007: 48) states, "Theories do not emerge on their own, but rather involve a more complicated process of layering webs of meaning over data." In addition to Daly, I would add that not only theories, but categories, codes and concepts are the products of human cognition as well and they are constructed as result of past experiences, cultural beliefs, historical factors and interactions with other social actors – the stance officially professed by Charmaz (2006), but the process of construction

excludes any indication for independent ‘emergence’, ‘telling’, ‘speaking’ or ‘travelling’ and ‘generation’ of codes, categories, concepts or theories. Stating that they actually could, would be identical to the objectivist treatment of data in classic GT.

Another contradiction in Charmaz’s work is in the following statement where she defines GT: “Thus the grounded theorist constructs an image of *a* reality, not *the* reality—that is, objective, true, and external” (Charmaz, 2000: 523) which Glaser (2002: 8) identifies as “clearly a descriptive goal that divorces data analysis from GT conceptualizing procedures” – and I recognise this as a dissonance with the constructivists’ aim for conceptualisation of a phenomenon of which conceptualisation is constrained within specific situational research settings. Reality is not objective but rather does not exist since we live in a world of multiple truths that are co-/created as result of internal and external processes. Thus, grounded theorists construct a subjective conceptualisation of *a truth*, not *the truth*.

Regardless of the weaknesses identified in Charmaz’s use of GT studies (not in Constructive Grounded Theory – they are discussed in Section 3.11.2), the wide applicability of Constructive Grounded Theory in research projects and doctoral research speaks for the high analytic power of the approach. Any potential disagreement expressed above should be regarded as a result of differences between explanation and implication of the constructivist turn of GT.

3.11.2. Limitations of Constructive Grounded Theory

Grounded Theory is subject to certain limitations generally associated with qualitative studies. One of them is concerned with generalizability of the findings for a population. Additionally, it is argued that purposive sampling creates further limitations for qualitative studies and compromises their rigour and generalizability. That puts pressure on the sample to be representative for the population being researched. However, as Bogdan and Bilken (1998) state, qualitative studies are not primarily concerned with producing scientifically

generalizable findings but exploring a phenomenon that has not been examined in sufficient depth before. This argument is specifically emphasised in Stenbacka (2001), Yin (2009) and Schofield (2002) who contradict those claims.

Stenbacka (2001: 552) argues that “The basic quantitative demand for generalizability makes qualitative research look suspicious, since the concept of sample is used generally in research with no thought of its irrelevance in the qualitative context”. Similarly, Yin (2009) questions the use of the term ‘sample’ in qualitative studies. According to him, ‘sample’ is associated with a population and thus is not appropriate for qualitative studies which intend to be general *in respect to a theory*, not a population. Thus, the quantitative studies’ conceptualisation of generalizability is not useful and appropriate for qualitative studies (Schofield, 2002). Therefore, scholars have to distinguish clearly statistical generalization from analytical generalization (Yin, 2009). Qualitative studies cannot claim representativeness of a population and statistical generalization but they are not intended to do so in the first place (Schofield, 2002), just like quantitative studies cannot claim analytic generalization (Yin, 2009). Both stances have different purpose and direction and that should be recognised by scholars (Johnson, 1997). In regard to Grounded Theory studies, Charmaz (2014a) argues that they can claim generalizability within similar analytic settings only since “generalizations are partial, conditional, and situated” which is in agreement with Yin’s (2009) position.

Another limitation associated with the research strategy of the study is the sources of information – interviews and corporate documents. Although their limitations were broadly explained above, here it has to be mentioned that potential weaknesses of using either corporate reports or interviews were minimised by comparing and contrasting the results of their analysis.

The data analysis techniques are associated with certain weaknesses too. The process of coding was audited by my doctoral supervisory team and fellow research students who could not identify any weaknesses in the coding

procedures. Moreover, the process of coding is clearly explained and presented in Chapter 4, as the reader can link the raw data with the research findings and substantive theories. Even so, the coding process is subjective and interpretive as another researcher may code the data differently and interpret it in a different manner. However, as Lincoln and Guba (1985) state, this is embedded in the foundation of interpretive inquiry.

3.11.3. Reflexivity in Grounded Theory Studies

A study and its results depend on the time, place and the context a researcher belongs to, which is a central issue in contemporary discussions on reflexivity (Mruck and Mey, 2007). In GT studies, reflexivity became a topic of concern only recently (e.g. Cutcliffe, 2000) and especially within the constructive GT turn (see Charmaz, 2006, 2000; Mills et al., 2006). Robson (2002: 22) considers reflexivity as “an awareness of the ways in which the researcher as an individual with a particular social identity and background has an impact on the research process,” while Hall and Callery (2001: 257) consider reflexivity as “attending to the effects of researcher–participant interactions on the construction of data”.

Gentles et al. (2014) consider reflexivity as an essential component of GT studies since symbolic interactionism is the methodological foundation of the strategy. Hall and Callery (2001) propose using reflexivity during the data collection as a means of filling a quality gap in Grounded Theory. Neil (2006) suggest that potential impact of the researcher can be explored through constant comparative analysis while Backman and Kyngäs (1999) see memo-writing as a way to keep researchers aware of their effect on the research process. However, the creativity of the researcher is an essential component of category construction, but they must be inductively derived from the data and not forced into preconceived notions (Etherington, 2004). Researchers should acknowledge the potential influence of previous experience or work on their studies as personal characteristics and experiences may influence the decision for a research topic (Mruck and Mey, 2007) since “No analysis is neutral – despite research analysts’ claims of neutrality” (Charmaz, 2005: 510). As Etherington (2006: 77) suggests,

“simply by being there we influence the research that is being carried out”. Even so, scholars argue that researchers should be aware of their impact on the data (McGhee et al., 2007). The issue of reflexivity is further discussed in Chapter 8.

3.12. Chapter Summary and Conclusion

This chapter discussed and introduced in detail the philosophical foundation and methodological approach used to answer the study research questions and reach the study aim. Academic literature was used to support the decisions taken in each stage of the study development. A Grounded Theory research strategy was employed to enter an insufficiently investigated field and provide more understanding on the phenomenon under study. That decision has had major implications for the data collection and analysis as well as the theory construction. These processes are presented in the following chapter.

CHAPTER 4: ANALYSIS

4.1. Introduction

The methodology chapter discussed the philosophical stances and methodological positions adopted in the study. While the methodology chapter sets up the foundation on *what* I have intended to do in my research, this chapter provides detailed and visual demonstration on *how* it has been done. Considering the research strategy of the study, a transparent presentation of the data analysis processes and logic followed for construction of the Core Categories and their comprising categories is necessary in order to demonstrate the credibility of the study (Charmaz, 2006). The chapter commences with presentation of the overall data analysis procedures performed in the study. Section three provides detailed demonstration on the categories construction supported with the respondents' voice. Section four concludes and summarises the chapter.

4.2. Data Analysis Procedures

The overall purpose of this study was to investigate what CSR is in the Middle East and to construct a substantive theory grounded in the respondents' voice and experience with the phenomenon. This process was immersive and required collection and analysis of secondary and primary sources to create an understanding of the phenomenon. Through the course of data collection and analysis, theoretical insights began to build up until saturation of the categories and their properties was reached after 146 reports and 63 interviews analysis. The procedures behind their analysis and consequent construction of the substantive theories are summarised in Table 4.1 and explained in detail below. However, as a consequence of the abductive reasoning followed and identification of unexpected results during the research process, the study constructed two Core Categories and consequently two substantive theories (Chapter 7).

Table 4.1: Data Collection and Analysis Phases

Time line	Study phase	Data collection	Data analysis	Analysis method
January to April 2013	Pilot study	146 corporate reports	Content analysis	Coding
February 2014 to April 2014	Pilot study	4 interviews (intensive interviewing)	Grounded Theory	Initial, focus and theoretical coding; Memoing; Constant comparison
May to October 2014	Main study	59 interviews (intensive Interviewing)		
November to December 2014	Sorting of memos; Diagramming; Constructing the categories			

4.2.1. Corporate Reports

As part of the pilot study, 146 CSR, sustainability and annual reports issued for the period 2008-2012 in accordance with national and international regulatory standards for reporting and accounting were analysed. This approach aimed to identify the existence of CSR activity, the stage of CSR development in the region and availability of data for further analysis. Second, it was used for identification of companies that could eventually participate in the main study. In addition to the intended purposes, the approach also shed light on RQ1 and partially on RQ2 although the research questions were fully answered after the interview data analysis.

I identified that the sample companies organise their CSR agenda around stakeholder concerns as an attempt to deliver an appropriate corporate response to their related issues. Hence, in order to answer RQ1, I had to identify how companies respond to stakeholder issues, what these issues are and who the stakeholder groups considered are as part of organisational CSR commitment. Thus, the content analysis of corporate reports was organised around identification of these three elements. Those initiatives that correspond to the criteria developed by Turker (2009) were considered as a CSR response: 1) to be an outcome of the organisation's decisions; 2) to have a positive effect on the stakeholders; and 3) to go beyond the monetary goals of the organisation. Those

groups or individuals who can affect or are being affected by the achievements of the organisation's objectives were perceived as stakeholders (Freeman, 1984).

Having these criteria in mind, I read each one of the 146 reports word by word while coding information that could be considered as a socially responsible behaviour and response to a stakeholder concern of a particular stakeholder group. The process of coding corporate reports is presented in Appendix 10, where one page for each report – one sustainability (issued 2009), one annual (issued 2011), and one CSR (issued 2012) – are coded. I attached one page only for report since their approximate length is 30 pages each.

Attaching three reports was considered necessary since they serve to account different sources of information. As I identified and the reader can verify through the attachments in Appendix 10, CSR reports are mainly focused on accounting non-financial data, while sustainability reporting presents data related to financial indicators, corporate governance, shareholder data, product development, and so on. Annual reports (in regard to CSR accounting) were generally observed to report non-financial data. The three reports attached are arranged in a manner that would encompass CSR accounting in the three countries of the research.

What was particularly interesting for me to understand was the fact that Middle Eastern organisations use the terms CSR and sustainability interchangeably as they are considered as indicating similar practices. Similar conclusions were made as a result of the interviews where participants used both terms as equal. Although in the Western world they differ significantly (but not all the time as suggested by Dahlsrud, 2006), in the Middle East CSR and sustainability hold the same meaning. That further justified the use of CSR and sustainability reports for the pilot study.

As mentioned above, coding was performed on stakeholder groups and stakeholder concerns. Various codes representing CSR responses on different stakeholder-related concerns were coded from the reports and organised on the

basis of targeted stakeholder concerns, which can be seen in Appendices 11, 12 and 13. Stakeholder concerns range from matters related to companies' employees to community issues, health and education. Consequently, the stakeholder-related concerns were combined on the basis of the targeted stakeholder group. For instance, I found that health-, education- and community-related issues (and their corresponding CSR responses) are focused on the same stakeholder group – community. The same applies to stakeholder groups such as regulators and partners which share similar CSR responses and stakeholder issues (Appendices 11, 12 and 13). This information was used to identify where Middle Eastern organisations concentrate their CSR efforts and which stakeholder groups are considered as part of their CSR practices. That set the tone of the interview data collection. However, the content analysis also resulted in the identification of specific analytic needs that led to the development of RQ3.

4.2.2. Interviews

The information gathered after analysing secondary data sources served as a basis for collection of primary data. Throughout the process of interview data collection and simultaneous analysis, theoretical insights began to build up that were further refined and tested with new bits of interview data. Accordingly, they were simultaneously compared with secondary data results as well. This process continued until theoretical saturation and high theoretical sensitivity of categories constructed was achieved. That occurred after analysing the sixty-third interview when the data collection process was suspended.

In order to reach the point of theoretical saturation of the categories, I employed a multifaceted, iterative process of data collection followed by abstract conceptualisation, and then increasingly more focused data collection guided by the analytic needs of the constructed categories and relationships. Data analysis relied on four levels of coding (initial, in vivo, focused and theoretical), three sets of memoing (initial and theoretical), sorting of memos/categories and diagramming; all facilitated by constant comparison, abductive reasoning and theoretical sampling. However, here I have to mention that for the data analysis I

used a third type of memoing which I call ‘sorting memo’ that was the product of memo and categories sorting (examples for ‘sorting memos’ are available in Appendix 20, 23, 26, 27). Although Charmaz (2006) utilises initial and theoretical memos only, I identified that reflecting on the sorting process in a memo specifically created for that purpose significantly facilitates the analysis and category construction/identification of relationships between categories procedures.

Memoing and coding of data marked my journey towards interpreting respondents’ understanding for the phenomenon of inquiry (RQ1) and the factors that lead to this particular understanding (RQ2). Also, how they institutionalise and operate with the phenomenon at internal and external organisational levels (RQ3). The data analysis started as soon as recording of the first interview was completed. Immediately after it, an initial memo was written that served to summarise my impressions from the interview and my very first interpretation of the information obtained (an example of an initial memo is available in Appendix 14). Writing the memo was renewed and continued during the coding process. While coding the data, new ideas emerged and I included them in the memo. Subsequently, these ideas indicated relationships between various codes, new unexpected insights and new concepts. Writing initial memos increased the theoretical sensitivity of the categories constructed and proved to be particularly helpful for the consequent substantive theory construction.

The theory construction began with the analysis of the first interview. By using the initial coding performed for each line of the transcribed data, the respondents’ interpretations were broken down into small, labelled pieces of data. The coding process was driven by the analytic question “What is happening here?” (Charmaz, 2006) in order to construct the meanings and perception given by respondents to the phenomenon and their actions when operating with it. This process was strengthened by using coding for gerunds which constructed an analytic unit from a data item – an initial code. The initial codes were built on the basis of their analytic value and were not based on the literature or preconceived ideas. They

were all compared with codes and categories from other interviews in order to verify their representative power and that they were applied consistently. A comparison between new and previous codes helped me to clarify whether they were reflecting the empirical data and the participants' experience with the phenomenon. Although the analysis of the first interview followed a rather linear logic, the collection of more interviews and evidence of secondary sources added complexity to the iterative comparison across all four levels of coding. After the fourth pilot interview, RQ4 was constructed since the pilot study results indicated the need to collect data from a broader sample of respondents in order to obtain a complete picture of the CSR activity in the region.

The codes constructed after the initial coding were combined on the basis of their similarity or frequency (Charmaz, 2014a). The most important ones were raised to focused codes. They were used for the construction of theoretical categories and their properties. The work of Glaser (1978) and his theoretical families were considered at the beginning of the interview data analysis in order to raise my focus codes to abstract theoretical categories. However, that decision was quickly changed since I found that it would take the focusing inherent of my substantive theory and render it directive and prescriptive. It was the data analysis that was guiding me which codes have the analytic power to be raised and conceptualised in theoretical categories and which not. Once constructed, the categories were verified and compared with other categories and codes.

Categorising was performed by using theoretical memoing. This second set of memo writing served the purposes of research process journaling where category construction can be observed from start to end. Moreover, theoretical memoing demonstrates the creativity and clarity invested in the data analysis process and subsequent category building. Once the analysis process was completed, different theoretical memos and the categories constructed in them were sorted and compared. Sorting 63 theoretical memos appeared as a very time-consuming process but it was the analytic step that helped me to start seeing links and relationships between different categories. That process was journaled in sorting

memos. The links and relationship between them were visually presented through diagramming.

In order to demonstrate transparently the logic and overall process of data analysis, data analysis of one interview is attached in Appendix 15. The reader can see how the coding process was performed and how codes were raised to theoretical categories. The initial memo attached demonstrates my first impression of the interview which I wrote immediately after the interview was completed. Then the memo was enriched with new ideas generated during the coding. In this particular memo I mention the initial code ‘Giving back as a moral duty’ for the first time. In the memo I indicate that this code requires more attention due to its high analytic value. This fact affected my subsequent interviews as I tried to obtain more insights about ‘giving as a moral duty’ – what makes it a duty, why it is considered as a moral obligation for the giver, what is the object being given to and who is the receiver of the act of giving.

Appendix 15 represents Grounded Theory analysis, more precisely coding, performed for the interview with SA3. I enclose only a small part of the analysis sheet since its original length is 67 pages (around the average length of all interview analysis sheets). Initial line-by-line coding was performed. In the three pages one in vivo code was indicated as well. Subsequently, the initial codes that repeated the most or presented analytic interest for the study were raised to focus codes. The process is summarised in the initial memo (available in Appendix 14). These focus codes represent properties of theoretical categories. Theoretical categories were raised on the basis of the analytic insights provided by focus codes. Their construction can be seen in the theoretical memo (available in Appendix 16). In the theoretical memo attached⁶, the reader can see how the four theoretical codes developed in the analysis sheet were raised to categories. Moreover, the in vivo code was also raised to theoretical category. Their properties are presented and discussed as well. The codes and categories

⁶ Only the first three categories of the theoretical memo were included in Appendix 14 due to word limitations.

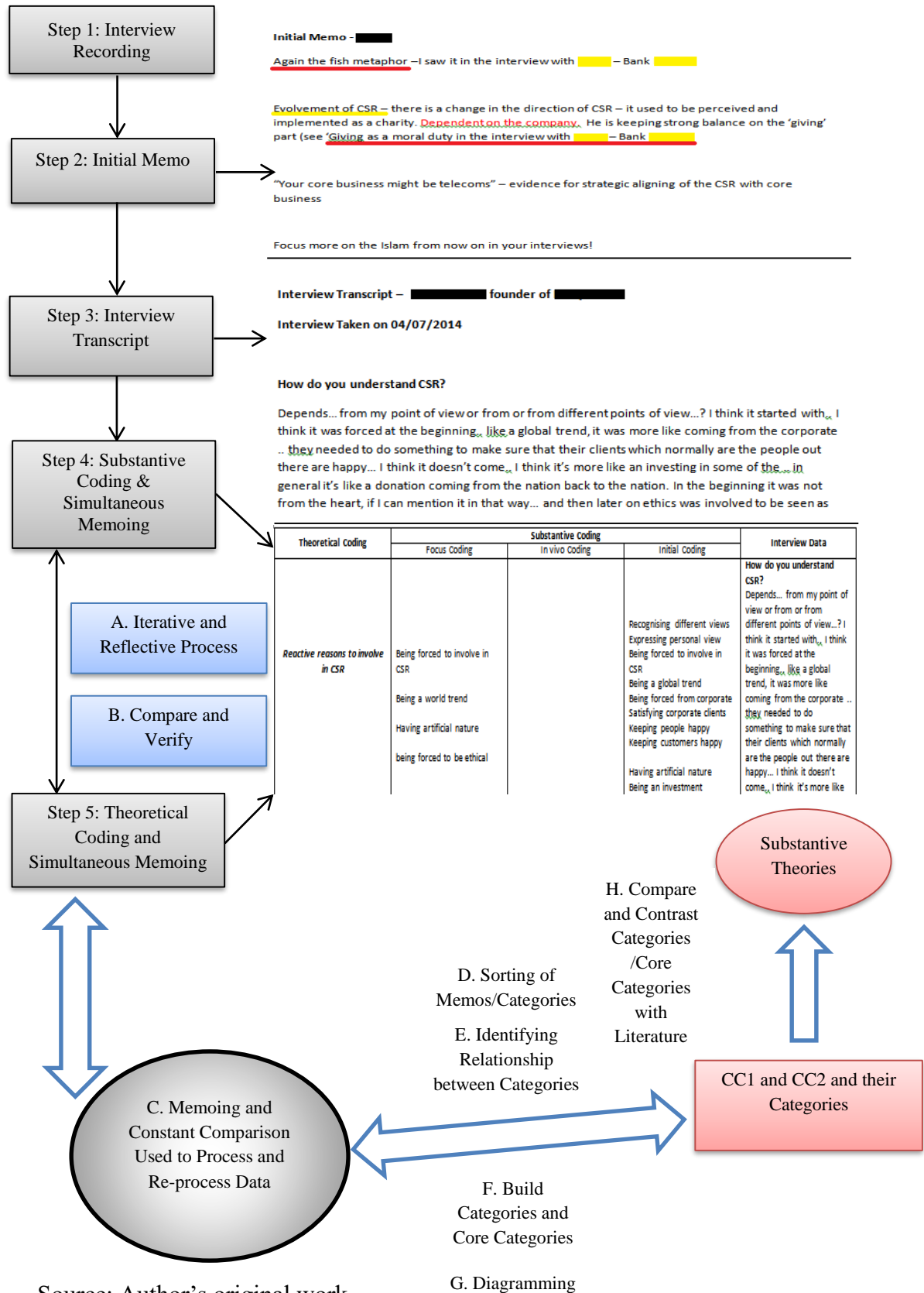
developed on the basis of the interview with SA3 were compared with previous data and verified subsequently with new sets of data.

4.3. Constructing Substantive Theories

After discussing how data analysis was performed, it is essential to demonstrate how the two substantive theories in the study were constructed. The process of substantive theory construction is presented graphically in Figure 4.1 and explained in detail below. Figure 4.1 uses examples from the GT analysis of the interview conducted with OM7 in order to illustrate how data were processed in order to construct the categories and the substantive theories. The categories were labelled with number so that they are easier to refer to in the study, i.e. Categories 1.1, 1.2, 1.3, etc. are constructs in CC1 (Core Category 1). Categories 2.1, 2.2, 2.3, etc. are constructs in CC2 (Core Category 2).

As explained above, the data analysis procedures started as soon as the interview recording was completed (Step 1, Figure 4.2). Then an initial memo (Step 2, Figure 4.1) was created, which proved to be an effective analytic instrument. For example, during the interview with OM7, I noticed that he referred to a specific metaphor that consequently was used by other respondents as well – “*We don’t want to give them [community] fish but teach them how to fish*”. I called it the ‘fishing metaphor’. Usually metaphors in qualitative studies are associated with an opportunity to examine phenomena from a unique and creative perspective that provides understanding of situation-specific interventions and emotions associated with the phenomena (Carpenter, 2008). Hence ‘the fishing metaphor’ was included in the initial memo as a reminder that the metaphor is important and probably contains some specific value that needs to be examined in more details.

Figure 4.1: The Process of Constructing a Substantive Theory



Source: Author's original work

Subsequently, this decision proved to be beneficial since ‘the fishing metaphor’ was indicated in 28 more interviews and was verified as an analytic unit with high theoretical sensitivity. In the subsequent analysis I found that the ‘fishing metaphor’ was an excellent analytic tool that helped me to identify the strong impact of regional specifications on the perceptions respondents hold for the examined phenomena. Fishing as an industry has been an important source of income for the Middle Eastern community for centuries and is a widely spread craft in the region. Its importance and value as tradition has transformed it into a proverb to express a specific attitude towards CSR. The metaphor was further analysed and used to indicate how organisations engage in ‘giving’ (Category 1.5 – Dimensions of ‘giving back’) and how their particular attitude towards ‘giving’ influences organisational CSR operations.

During the interview OM7 referred to ‘giving’ as a form of community and socially responsible involvement of a mandatory nature. This information was included in the initial memo, since it reminded me of the code ‘Giving as a moral duty’ (mentioned above) identified in the interview data analysis with SA3. That incident made me realise the analytic potential of the code. The interview with SA3 was conducted as part of the pilot interviews where I constructed the code ‘Giving as a moral duty’ for the first time. Subsequently, the same initial code was identified in 53 more interviews (including the one with OM7). That suggested the high analytic value of the code and its importance for the study. Consequently, ‘Giving as a moral duty’ was raised to a property of the Category 1.5 – Dimensions of ‘giving back’ (the construction of which is explained below). This discussion demonstrates further the significance and importance of keeping initial memos as an essential tool for the categories construction.

Once the interview was transcribed (Step 3, Figure 4.1) the interview data was analysed through standard substantive coding procedures (Step 4, Figure 4.1) that included initial, in vivo and focused coding. The process of initial coding was challenging, due mainly to my lack of experience using Grounded Theory, my personal concerns about coding consistency, and the large number of seemingly

unconnected codes constructed. The process of initial coding of all 63 interview transcripts produced over 15,000 codes in total. This occurs mainly because Grounded Theory analysis requires coding of every line of information but this does not necessarily imply that the line coded will be theoretically important for the study. For instance, information about the respondents' background (age, nationality, duration of presence in the organisation) resulted in initial codes that were consequently discarded due to lack of analytic relevance to the study. Some of these codes contained just a single segment of data, while others contained multiple segments. At the same time, some lines resulted in coding of more than one code. Although I was aware that having a large number of initial codes renders analysis more complicated, I was anxious not to force the data into tentative categories at an early stage.

The coding process was recorded in the initial memo for journaling and reflective purposes. Moreover, the data coding was affected by processes A and B (Figure 4.1) that compared and verified various codes and their analytic value with other comparative tools (e.g. older codes, data, categories). In this process, some initial codes were classified as not having representative and analytic value and were consequently restricted from further analysis. Initial codes verified as having analytic value after the reflective and comparative processes were considered as having potential to deliver analytic insights on the phenomenon of inquiry and as such were raised to focused codes.

Focused codes classify the initial codes under broader conceptual units to facilitate theoretical construction. During the process of initial coding and data collection, I identified that certain categories were identifiable within the data. Therefore, as the initial coding progressed, the focused coding commenced. This process resulted in a much smaller number of codes, under which the existing and new initial codes could be grouped. Over the course of the data collection and analysis the parameters of the focused codes became increasingly clear as each new interview was used to inform and explore new ideas. Overall, the process of focused coding produced approximately 1,200 codes.

The process of categorisation was demanding, as I was trying not to force the data. As result of the large number of focused codes, I had a significant number of codes that felt important but for which I could not find their place in the tentative categories. As a result, the categorisation process was reviewed three times. This involved returning in the initial coding process and checking whether the tentative categories were on reflection appropriate. Although, this was very time consuming it ultimately benefited the overall analysis. During this process several new categories were added, some of them were modified, or merged. The next challenge was to identify how these focused codes related to each other. This was done using theoretical coding.

Focused codes that were tested with various comparative tools and were considered as containing exploratory value to a specific category were raised to theoretical codes and properties of the consequent categories (Charmaz, 2006). Similarly, in vivo codes were also tested with comparative tools and were raised to category properties if verified as theoretically sensitive and representative to the corresponding category.

Theoretical coding was the last coding procedure (Step 5, Figure 4.1). Theoretical codes served to indicate how substantive codes relate to each other and create relationships that can be integrated in categories. They were built from the data analysis without imposing any framework on them. Theoretical coding was further completed through theoretical memoing where the theoretical codes and their properties were summarised and further refined with new codes and properties. That served to indicate the analytic needs of the tentative theoretical categories and potential topics that should be examined further. For instance, during the pilot interviewing I succeeded in obtaining insights about the main areas of interest for the study – perceptions for CSR and impact of Islam – and although the categories constructed were far from saturation, I started seeing interesting insights and directions for further examination (and as demonstrated above, development of new research questions). As coding progressed through additional interviews, the theoretical memos became more focused on the

categories and their properties as they became saturated. I was able to identify various relationships between categories from different theoretical memos as a result of reflection and verification of the categories with comparative tools. This process continued until saturation of the categories was reached.

The course of action encompassing the range from process C to process G was probably the most crucial and important stage in my entire study since the procedures performed affected the substantive theories construction. Once the data analysis of the last interview was completed, an extensive reflective process of comparison of all memos, categories and codes was performed (Process C, Figure 4.1). This step aimed to avoid any potential vagueness and to prevent the categories from being too narrow or descriptive. Since the categories represent the backbone of my substantive theories, I had to verify their theoretical sensitivity and representativeness, regardless of the amount of time invested in this process. As a result, some of the category properties were slightly modified but no significant changes to their structure were made. That verified further their saturation and sensitivity.

Process C set up the foundation upon which sorting of memos and categories was to be performed (Process D, Figure 4.1). It is important to mention that processes D, E, F and G are intertwined and cannot be performed separately. The process of sorting of memos and categories led to identification of relationships between various categories that were subsequently diagrammed and presented in a graphical manner. The visual image of a diagram suggested relationships and the content of potential categories. However, for clarity they are explained separately below.

Process D – Sorting of Memos and Categories

Sorting of memos and categories (Process D, Figure 4.1) gave means for creating and refining theoretical links. This process is presented here by four sub-processes for clarity:

- 1) In order to create analytic links between various categories, a comparison between all theoretical codes presented in the 63 theoretical memos was performed (one theoretical memo per interview). As result of this process, I identified 52 theoretical codes in total. Appendix 17 presents a tabulated form of all theoretical codes identified after the sorting process and includes information on how many times this specific code was identified in the memos.
- 2) Identical theoretical codes were compared with theoretical codes from various memos. In order to explain the comparison process, I use the theoretical code “Dimensions of CSR” as an example which is presented in Appendix 18. “Dimensions of CSR” identified in one theoretical memo was compared with the same theoretical codes listed in 53 other theoretical memos. In order to facilitate my task, I used a few white A0 format sheets that served as a white board where all 54 theoretical codes were cut out from the original hard copies of theoretical memos and attached onto the sheets (see Appendix 18). This approach led to theoretical integration of the theoretical codes by comparing them and their properties on an abstract level.
- 3) As a result of the sorting and comparison of the theoretical codes, I started seeing patterns and relationships that were subsequently diagrammed and presented in a graphical manner (an example for diagramming is available in Appendix 19). This process was the first step toward categories construction. For instance, the focus code ‘Giving as a moral duty’ appeared in all 54 theoretical memos of the theoretical code “Dimensions of CSR” and demonstrated clearly its analytic importance for it.
- 4) The category comparison and sorting also led to new questions and elements that required further examination (e.g. what is ‘giving’; what is ‘the subject of giving’?). All this new information was summarised in a new memo (called ‘a sorting memo’ for clarity) with new insights and ideas (see Appendix 20). Due to the course of sorting of the sorting memos and categories these questions were answered by identifying specific relationships and interdependencies (presented in Chapters 5 and 6). These

relationships and interdependencies practically represent the categories in the study. The same process of sorting, comparison and integration was performed for the rest of the theoretical memos and categories.

In Appendices 21, 22 and 23 and Appendices 24, 25 and 26, respectively, the reader can see the process of sorting of two additional memos and categories – “Taking care of the community as a DNA” and “Institutionalisation of CSR”. Appendix 21 presents the process of sorting and comparison of the theoretical memos when I was aiming to identify theoretical links in the data. The result of this process is the diagram attached in Appendix 22. The sorting and comparison process was summarised in a sorting memo available in Appendix 23. The memo illustrates the logic and cognitive process followed in the memo sorting and comparison and consequently the category building. Sorting of “Taking care of the community as a DNA” resulted in significant changes for the category – the category was practically discarded and two more categories were constructed instead – “Focus on community” and “Being morally obliged to support community”. These two categories were initially considered as properties of the category “Taking care of the community as a DNA”. However, as a result of the sorting I identified that “Focus on community” and “Being morally obliged to support community” cannot be considered properties of that category since they suggest a different level of analysis – organisational (“Focus on community”) and individual (“Being morally obliged to support community”) with the latter having an indirect organisational impact. Therefore, they cannot be integrated in one category since that could cause analytic weakness of the potential category that could be constructed from them and consequently the substantive theory. Moreover, the sorting process raised some additional questions to the two new categories that needed verification and further refinement (summarised in Appendix 23).

Sorting of the category “Institutionalisation of CSR” resulted in various questions with no clear answers. As a result of the sorting (sorting and comparison presented in Appendix 24, diagramming in Appendix 25 and the sorting memo in

Appendix 26), I interpreted that organisations institutionalise CSR differently but there was no clear identification of patterns or relationships that would explain those differences. Industry, size, type of business or country of activity were discarded as possible explanation since organisations sharing similar characteristics were found to institutionalise and approach CSR in a different manner. Therefore, sorting of “Institutionalisation of CSR” provided room for further verification of the category (see the sorting memo in Appendix 26). Consequently, the sources of these differences were identified and resulted in the construction of Category 1.1, Category 1.2 and Category 1.3 in Core Category 1 (CC1).

As a result of the sorting and comparison process some categories were discarded. For instance, the categories “Role of media” (identified 7 times, Appendix 17) and “Being a smart business” (identified 12 times, Appendix 17) were considered as not having analytic significance for the examined phenomenon and as such were removed from further analysis. On the other hand, as a result of the data analysis I reached analytic insights that resulted in construction of categories such as “CSR as an integrating policy between employees” (identified 8 times, Appendix 17) that have analytic potential but do not provide answers to the research questions and thus were discarded as well. Similarly, sorting memos such as the one included in Appendix 27 provide insights about the phenomenon of examination but were not raised to categories. Even so, the information in them was used to provide better understanding of the phenomenon. In the case of sorting memo “Relationship between government and CSR orientation” reasons were identified for CSR involvement in the examined context (Chapter 5, Section 5.5.1).

Process D continued until all theoretical categories and theoretical memos were compared and verified. As a result, new sorting memos were developed that contained information about patterns, potential relationships, new insights and ideas. They set the foundation for the Core Categories construction.

Process E – Identifying Relationships between Categories

Along with Process D, I was also comparing the analytic categories and sorting memos. Sorting and comparison of different categories led to identification of relationships between them (Process E). For instance, comparison and sorting of the categories “Dimensions of ‘giving back’”, “Taking care of the community as a DNA” and “Perceptions for CSR” led to identifying a particular view of social responsibility of business that can be generally presented as *giving*. Further comparison between the categories showed how respondents approach their social involvement and what the acts of *giving* of resources to a particular cause or a group of beneficiaries *mean* to the participants. These insights led to the construction of the Category 1.5 – Dimensions of ‘Giving Back’. All relationships and interdependencies between categories are presented in Sections 4.3.1 and 4.3.2. They were prerequisite to construction of the two Core Categories.

Process F – Build Categories and Core Categories

As result of the data analysis and Process E, two Core Categories (CC) were constructed. The first Core Category (CC1 – Operation of CSR) is composed of the relationships and interdependences in the operational CSR dimensions and factors associated with the phenomenon in the Middle Eastern organisations as interpreted in the data. The second Core Category (CC2 – Islamic CSR) is composed of the ideological grounding behind the operational implications of CSR in the examined region as constructed from the data. Their construction is presented below separately (respectively in Section 4.3.1 and Section 4.3.2) for clarity as they identify different levels of analysis – organisational (CC1) and individual (CC2).

Process G – Diagramming

The processes of memo sorting and identification of relationships between the categories was accompanied by simultaneous diagramming. The diagramming presented a visual representation of the sorting and integration of categories as this process provided clarity and avenues for further verification in the categories.

Process H – Compare and Contrast Categories and Core Categories with Literature

This last process (as in Figure 4.1) was the one that resulted in the construction of the substantive theories. Once the Core Categories and their composing Categories were constructed, they were compared with relevant academic literature in order to raise them to substantive theories and to position them with regard to previous knowledge. This comparison also highlighted the study main contributions. Process H was performed in accordance with Grounded Theory (Charmaz, 2006) strategy and is presented in Chapter 7.

4.3.1. Constructing Core Category One (CC1) – Operation of CSR

As discussed above, sorting of the category “Institutionalisation of CSR” resulted in numerous questions with no clear answers. These answers were obtained once the sorting memo and the category were again compared with the data and other categories. Then I began seeing clear patterns and identified two significant interdependencies that not only define how CSR are institutionalised and approached by the organisation but also affect the strategic orientation of the CSR initiatives and the social value delivered (Category 1.2) as well as the vision and objectives a company would have for CSR (Category 1.1). The reverse dependences are also accurate and influence the mode of institutionalisation of CSR in the organisation. Accordingly, on the basis of these new insights Category 1.1 and Category 1.2 were built (presented below).

Factors important for Category 1.1 and Category 1.2

Before presenting the Category construction, a common element related to institutionalisation of CSR was identified as relevant and having a significant importance for both of them. For clarity this element is discussed here independently from the categories.

Three forms of institutionalisation of CSR – not-institutionalised, semi-institutionalised and institutionalised were identified as a result of the comparison between primary and secondary data, observations conducted on the basis of

direct visits to headquarters of the respondents' organisations and comparison with other categories. The construction of these three forms is presented below and consequently used to build the interdependencies in Categories 1.1 and 1.2. The modes of institutionalisation applied by the sample companies are summarised in Appendix 28.

Non-institutionalised CSR (Table 4.2) is a mode of conducting CSR that is not governed by a specific department and is not aligned with business objectives and core competences of the organisation. Strategic orientation and systematic approach towards CSR is not evidenced. The organisation is not following a specifically designed CSR agenda and commitment in this regard occurs mainly during times of necessity (e.g. a NGO needs help, support of events related to religious and national holidays). Usually, organisations do not work with a specific CSR budget. Accounting and reporting is not evident although zakat and religious funds are a possible source for sponsoring CSR. Reporting and accounting on CSR initiatives is not likely to occur due to the periodic involvement in them.

The organisation where EM9 is a CEO is a good example of a non-institutionalised mode of CSR. The reader can identify the strategic and systematic approach applied for the CSR operationalisation. His CSR initiatives are not aligned with the core business (tourism and hospitality), the organisation does not utilise a specialised CSR budget and measurement of CSR impact is not practised as can be seen from the summary of their CSR practices:

*“During Ramadan we distribute goods to people in need. Then of course, smaller activities like **cleaning up the beaches, the park** and then even in terms of **planting trees** in certain part of the year which is again giving back to the society, improve the infrastructure as we can. **We volunteer** when we participate in **feeding the poor during Ramadan** here, which we have done a year ago where we fed 1,000 people. So **there's the Red Crescent which we can approach** and they will give you an x amount and say 'ok, this is*

*what we need to do' and we support them as well. That's what we do... and well how I see it in the next two years, **we are not going to have a dedicated CSR department**, a full-time person, because obviously to be very frank **this is not something we do every day and is done periodically.**" (EM9)*

From this comment we can identify the non-institutionalised nature of organisational CSR commitment as well as the distinctive characteristics of this approach. These characteristics can be presented as in Table 4.2.

Table 4.2: Characteristics of Non-Institutionalised CSR

Factor	Application
Specialised CSR Department	No
Corporate Objectives	No
Organisational Core Competences	No
CSR Planning	No
Commitment	Short Term/Periodical
CSR Budget	No
Religious funds	Yes
CSR Initiatives	Heterogeneous; Financial support and volunteering
CSR Outcome Measurement	No
CSR Reporting and Accounting	No

I also identified that there is a second approach for conducting CSR that can be classified as a **semi-institutionalised mode** (Table 4.3). What differentiates this approach from the non-institutionalised one is the presence of a specific department that governs and is responsible for the CSR operations of the organisation. Moreover, organisations are more likely to report and account their CSR initiatives since organisations operate with a CSR agenda and plan to follow through the year.

Table 4.3: Characteristics of Semi-Institutionalised CSR

Factor	Application
Specialised CSR Department	CSR is operated under the structure of other departments (e.g. Public Relations, Marketing and Corporate Communications)
Corporate Objectives	No
Organisational Core Competences	No
CSR Planning	Possible
Commitment	Short Term/Periodical to Medium
CSR Budget	No
Religious funds	Yes
CSR Initiatives	Heterogeneous; Financial support and volunteering
CSR Outcome Measurement	Possible
CSR Reporting and Accounting	Possible

The organisation governed by EM8 is involved in construction and building. The summary of her organisation's CSR practices indicate semi-institutionalised nature:

*“We try to give back, per example, we do visits to elderly homes and we try to interact with them, we have these **special centres** and try to support them and **volunteer a lot**. In fact, each of our managers have a target of 4 activities at least a year with different groups and different people. We give back financially, that's one of the things, we do a lot of **volunteering**, and we try whenever there is an opportunity to **support other organisations** or a number of other organisations, we do that. We try to have **free seminars**, but these are planned, you know per example we at the intrusion department we have to give **10 free seminars to children and we teach them how to be healthy, how to take care of their plates**. CSR is under the **quality department** right now. We communicate this through our **quarterly magazine** which we distribute with all our activities, but we don't have a reporting of what we are doing. The report is just internal and for the*

*board of directors regarding the budget and things like that, but **we don't have a structured CSR reporting.***" (EM8)

The characteristics of semi-institutionalised CSR can be summarised in the manner presented in Table 4.3. They differ slightly from non-institutionalised CSR in terms of a departmental structure that governs CSR initiatives of the organisation and the possibility of an organisation to involve in measurement and accounting of CSR. Moreover, systematic approach in regard of CSR planning is also evident although a strategic approach towards CSR in terms of aligning socially responsible practices to corporate objectives is not present. Use of religious funds is possible.

The last approach to conducting CSR was classified as **institutionalised CSR mode** (Table 4.4). Here, organisational socially responsible commitment is highly structured and systematically conducted. CSR initiatives are aligned with business core objectives and areas of expertise. Reporting and measuring of their CSR impact is performed on an annual basis. CSR is operated under a specialised department as in the example given by SA1:

*"I like the way we manage it internally by having what we call **a CSR Committee.** The CSR committee is handled by one person who has an executive power, who is executive level. It has like three or four core members. Those core members are mainly on **strategic implementation.** They are not into too much operation. Then there are seven members. Those are more **operational level.** They do most of the work like following initiative, doing initiatives and staff like that based on the strategy. So we start to put **a CSR representative in each department.** One of the members of the department is a CSR representative. So we used to communicate and pass the CSR message internally through all those CSR members, or representatives. We found that it facilitates the **CSR communication internally.** We usually **take the budget as a percentage of the revenue. It is a fixed percentage.**"* (SA1)

Table 4.4: Characteristics of Institutionalised CSR

Factor	Application
Specialised CSR Department	Yes
Corporate Objectives	Yes (exceptions are possible)
Organisational Core Competences	Yes (exceptions are possible)
CSR Planning	Yes
Commitment	Long-Term
CSR Budget	Yes
Religious funds	Possible
CSR Initiatives	Homogenous; Various
CSR Outcome Measurement	Yes
CSR Reporting and Accounting	Yes

In the organisation of SA1, CSR is highly institutionalised, governed by a CSR committee that shares executive, strategic and operational functions. The department is responsible for the development, implementation and measurement of organisational CSR operations. The CSR commitment is long term, approached in a systematic and strategic manner. CSR initiatives could be based on core business competences, but exceptions are also possible. For instance, I identified that organisations with institutionalised approach to CSR could be involved in volunteering, charity donations and in general, conduct CSR that is not necessarily aligned with core business (e.g. OM9 – telecommunication company: *“we are going to donate a mobile clinic. It will go to different areas in the country to meet those who raise these sheep and animals. Sometimes they cannot take their animals from where they live to the clinic or to give the medicine.”*). Reasons for that difference can be found in the general view respondents have for CSR (Category 1.1).

What differentiates an institutionalised approach to CSR from previous modes is the systematic planning and strategic approach towards long-term commitment to a specific CSR cause where measurement and reporting occur regularly. Moreover, CSR is governed by a specialised department. Use of zakat money in Oman and in the UAE is possible while in Saudi Arabia it is mandatory (due to

the compulsory nature of zakat in the Kingdom). Therefore, observing institutionalised CSR where zakat and religious funds are present is not unusual.

Category 1.1 – Interdependence between Mode of Institutionalisation and CSR Vision and Objectives

My analysis identified that organisations give institutional shape to their CSR operations differently (as presented above). Some of them (see Appendix 28) align their CSR commitment with business's operations and expertise, approaching their CSR commitment in a structured and systematic manner. I called that 'institutionalised CSR'. On the other hand, we have the opposite case where companies operate CSR in a much more unstructured manner. Here, I distinguish non-institutionalised and semi-institutionalised CSR operations depending on the nature of organising and practicing CSR.

As discussed above, memo sorting and comparison between categories resulted in significant uncertainties in the category "Institutionalisation of CSR" which were summarised in a new memo (presented in Appendix 26). The answer came as result of the sorting and comparison performed for the category "Perceptions on CSR" (sorting memo available in Appendix 29). I identified that the differences in CSR institutionalisation are a result of the interdependence between mode of institutionalisation of CSR activity in the organisations and the CSR vision and objectives or general perceptions held by respondents on CSR. When I compared the companies included in Appendix 28 with the interview data and corporate reports, I identified that organisations with institutionalised CSR practices perceive CSR and develop CSR objectives that differ significantly from companies applying a non-/semi-institutionalised CSR. That is presented below through the sample comparison made between the three forms of institutionalisation and the corresponding CSR vision and objectives of a few respondents summarised in Table 4.5.

Table 4.5: Comparison between the Modes of Institutionalisation and the Respondents' Organisational Vision and Objectives

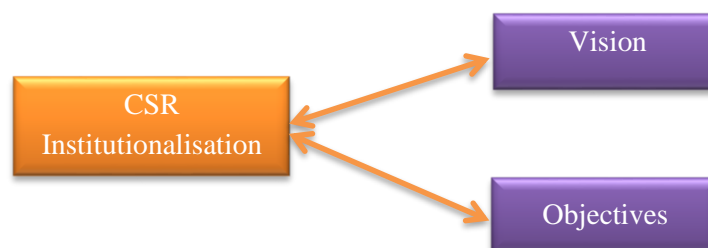
Respondent/ Mode of Institutionalisation	Respondent's Comment	CSR Vision	CSR Objectives
EM9 – Non-institutionalised CSR (no department)	<i>"I'd say contributing back to society... It could be going green, it could be again contributing to institutions like those for the mentally, physically challenged, there are all these institutions here. That's what my primary view of CSR is."</i>	CSR is seen as a form of 'giving back' to society	Focus on humanitarian and environmental initiatives; Charity is widely accepted
SA3 – Semi-institutionalised CSR (corporate communications)	<i>"For us CSR is advertising, it's public relations, events management, web site, institution"</i>	CSR is viewed as a communication tool	Communication with external stakeholders
EM1 – Institutionalised CSR (sustainability department)	<i>"When we say CSR that is not related to philanthropy and is not related to charity. Business is part of the development of any country... They have to be part of the development so business has to play an active role, act as an active citizen in every country they are in. so this is the way we look at CSR."</i>	CSR is used to ensure sustainable social development of community and economic stability of the organisation	Building of sustainable society and business

However, I also identified that an organisation's perceptions of CSR and the corresponding objectives they develop (based on their CSR vision) affect how and in what manner their CSR commitment will be institutionalised. For instance, as Table 4.5 shows, EM9 considers CSR a form of community involvement usually associated with 'giving' to community (CSR vision) by investing in environmental and humanitarian initiatives (CSR objectives). In the EM9 case, CSR commitment occurs periodically as it is usually associated with religious and national festivals, CSR is short-term and community-oriented and focused on charities and volunteering.

SA3 has a different view of CSR, as he approaches it through a more communicational perspective (CSR vision) that if applied correctly would affect positively the communication (CSR objective) with external stakeholders. Here, CSR is conducted in a more institutionalised manner (through corporate communications department) and is viewed as a stakeholder communication tool. EM1 perceives CSR as part of organisational strategy (CSR vision) that leads to building sustainable business and sustainable societies (CSR objectives). Sustainability is embedded in every corporate operation and external/internal stakeholder relations. A scope like this is governed through a CSR/sustainability department.

This analysis answered the question raised in the sorting memo in Appendix 26 as I identified that the view a specific organisation holds for CSR will reflect on how CSR will be conducted at the organisational level. The reverse process was identified as well - I observed that the institutional shape CSR has, impacts on the objectives and practices that will be conducted (as presented in Table 4.5). Therefore, as suggested through the data analysis, there is an interdependence between the respondents' CSR vision and objectives and mode of CSR institutionalisation, as presented in Figure 4.2.

Figure 4.2: Interdependence between Mode of Institutionalisation, CSR Vision and Objectives



Source: Author's original work

Category 1.2 – Interdependence between Mode of Institutionalisation, CSR Orientation and Attempt for Social Value Creation (SVC)

As identified in the data analysis, the more CSR is practised in an institutionalised manner the more strategic and systematic the CSR organisational commitment will be. The information presented in Tables 4.2, 4.3 and 4.4 suggests that the mode of institutionalisation is influenced by the strategic and systematic approach towards CSR and the CSR alignment with organisational core business and long-term commitment (as well as budgeting, reporting, measuring and all other indicators mentioned above, see Appendix 26). With other words, the mode of institutionalisation influences the strategic approach and systematic conduct of CSR (Figure 4.3).

Figure 4.3: Mode of Institutionalisation Impacts on Strategic and Systematic Conduct of CSR



Source: Author's original work

Subsequently, due to the categories sorting, I interpreted that the CSR institutionalisation affects not only the CSR operationalisation but the consequent ability of the organisation to create social and shared value as well (as presented in the sorting memo in Appendix 29). Organisations involved in CSR periodically approach their CSR initiatives in a less strategic or systematic manner: ***“We raise funds for charities, NGOs, clean the beach area, deliver Iftar meals during Ramadan”*** (SA14 – non-institutionalised CSR). Conducting periodic and heterogeneous CSR practices that are not guided by a specific agenda or are based on the organisational core competences, might meet serious challenges in their attempt to deliver value. Investing financial resources and time in a direction that is not generally considered as part of the organisation's core business or

competences (like the example with OM9) might fail in its attempt to SVC. The organisation is not specialised in that particular area, knowledge and capabilities are limited and relation to business objectives is not evident. As a result, social value creation becomes a difficult task.

Moreover, systematic and regular commitment to and reinvestment in a specific CSR cause is crucial to delivering social and corporate value. If the organisation is dedicated to providing long-term social impact, it has to maintain long-term sustainable efforts for a specific initiative. Heterogeneous CSR practices aligned with periodic involvement in social initiatives due to religious and national festivals (e.g. food baskets, clothes, sport and art events, pilgrimage and so on) are prescribed for achieving a temporary social impact. As interpreted in the data, the CSR initiative (and their impact) would decrease significantly after the particular reason for its occurrence disappears (e.g. end of Ramadan, end of National Day).

On the other hand, I interpreted that a long-term and systematic commitment to a specific CSR initiative could create social and corporate value (e.g. building of hospitals, schools, supporting educational programmes abroad and so on) if the CSR programme is approached in a strategic manner (e.g. construction company builds a hospital; bank invests in financial education for poor students) even if the reason for occurrence of the CSR initiative is not present any more (e.g. literacy levels are improved, quality of health services are improved and so on) its significance and influence will have long-term positive impact for business (financially literate employees) and community (improved health services). SVC is a natural outcome of a CSR programme approached in a manner that aligns CSR with core business competences, objectives and expertise. Therefore, I identified that SVC as an outcome of CSR could be observed in organisations that commit long term and systematically to CSR initiatives with a homogenous nature, aligned with core business. This relationship is presented in Figure 4.4:

Figure 4.4: Mode of Institutionalisation Impacts on Strategic and Systematic Conduct of CSR and SVC



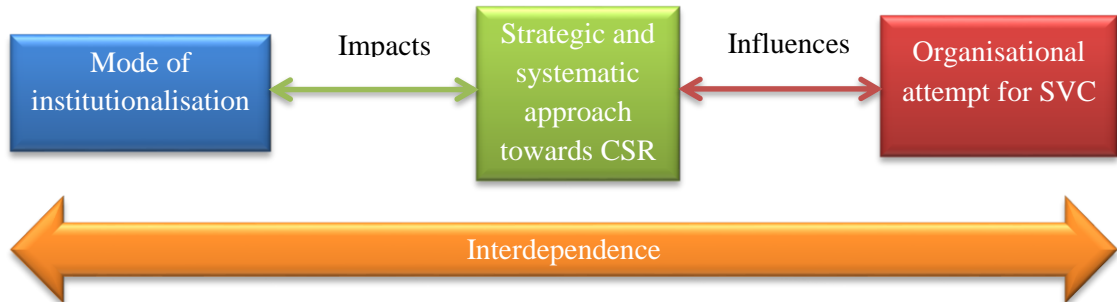
Source: Author's original work

However, the reverse process is also evident and important to be clarified. The organisational commitment and desire to providing SVC influences the way organisations approach and conduct their CSR initiatives. The stronger the desire for achieving social impact is, the more systematic and strategically conducted the company's CSR initiatives will be. Inevitably, that reflects on how CSR is institutionalised, as clearly stated in the OM17's comment:

*"Sometimes we have companies that **do not have a plan and they don't know what they should do with this money.** On the contrary if you go to a well-established **company with a CSR department**, they will tell you **we have already allocated our CSR fund**. Some of them know from December where their money will go next year, they do it very early because **they know their vision and they know who they want to engage through CSR initiatives and how to deliver value.**" (OM17)*

Therefore, an interdependence between these three futures in Category 1.2 was interpreted through the data analysis, as suggested in Figure 4.5:

Figure 4.5: Interdependence between Mode of Institutionalisation, CSR Orientation and SVC



Source: Author's original work

Category 1.3 – Interdependence between Sources of Financing CSR and CSR Orientation

I analysed that the method applied for collecting CSR funds affects directly the CSR practices that will be developed and applied as well as the overall orientation of the organisational CSR commitment. The reverse dependence was also unfolded – the CSR orientation of the organisation and the orientation of the CSR initiatives affect how they will be supported financially. In Appendix 30 the reader can see a tabulated form of the interdependence between CSR funds and CSR orientation (with reference to the CSR model applied) presented through Category 1.3.

The data analysis identified that money collected on religious basis – religious donations (zakat), and religious penalties (sadaqah and fines), are used to support organisational CSR initiatives. This form of financial support for organisational CSR commitment results in CSR practices with highly pro-community and charitable orientation. This dependence refers not only to specific CSR initiatives but to the general CSR agenda as well. I identified that religious funds are used mainly by Middle Eastern organisations that apply charity, expanded and semi-integrated CSR (Categories 1.6, 1.7 and 1.8), but two companies (SA7 and EM2)

out of five with integrated CSR approach (Category 1.9) utilise zakat funds as well. This phenomenon could be a result of the fact that SA7 is based in Saudi Arabia where zakat is mandatory. Therefore, organisations with highly structured CSR approach could be considered as relying more on conventional CSR budgeting, while less-structured CSR models consider use of zakat as well.

Companies utilising religious money avoid investing it in CSR initiatives oriented toward strategic development of business or any initiative that aims to ensure economic and marketing stability of the company. This money cannot be used for any strategic corporate initiative or for CSR focused on employee training, customer satisfaction or branding, since they are collected on the basis of the religious requirement for ‘supporting the needy’ (zakat) or religious penalties that are considered ‘bad money’:

*“The money collected as result of these penalties **cannot be kept in the bank. We give it away to people in need, because they are bad monies and we are not allowed to use them for corporate purposes**” (SA8)*

For that reason, CSR initiatives supported with religious funds have an altruistic orientation and are generally aiming at supporting people in need. That impacts directly on the strategic orientation of CSR and the CSR institutionalisation (Category 1.2). As a result, CSR is less-structured, not-related to core business practices and with a short-term focus.

On the contrary, conventional CSR budgets are used for strategic plans of organisations, marketing growth and development. Moreover, respondents operating with conventional CSR budgets use screening criteria in order to allocate their CSR fund. On the other hand, respondents using religious funds to support their CSR initiatives tend to allocate resources without applying any specific screening criteria. A good example in this regard is SA3 who uses both conventional- and zakat-based CSR funds for the company’s initiatives. He

explains clearly how these two different approaches affect how and where money will be distributed:

*“As I said, **when we give to the community, we screen them**, we make sure that the money will be used. We understand and it’s a procedure of ours. **When it’s zakat, we give it to X number of communities without screening them.**” (SA3).*

That indicates the lack of strategic planning behind CSR practices supported with religious funds. Consequently, that reflects on the CSR orientation of the company as well.

As interpreted through the data analysis, the reverse process is also observable. The CSR practices’ orientation influences the kind of finances that will be considered and utilised for the organisational CSR initiatives. As I unfold, strategic CSR practices, focused on building sustainable business and sustainable communities are primary sponsored by conventional CSR funds, while zakat or other funds collected due to religious reasons are used to support CSR practices with a charitable orientation:

*“Last year we used the **zakat of our employees – clothes, food and money**, we added some more to it and **distributed it to people**” (OM24).*

Category 1.4 – Institutionalisation of Stakeholder Power

The sorting of “Taking care of the community as a DNA” (Appendix 23) suggested that organisations consider local community as a stakeholder group with a primary importance for the CSR activity in the region. RQ1.3 and RQ1.4 in the study aimed to identify which stakeholder group has a primary importance for the organisational CSR agenda and what are the criteria that would qualify this group as important enough so it would make its way onto the organisational CSR agenda. The conventional understanding of stakeholder power as introduced by Mitchell et al. (1997) demonstrates the ability of a particular group to influence

the firm. Accordingly, as suggested by Mitchell et al., Middle Eastern organisations consider stakeholders that have power directly proportional to their ability to influence business operations, but they also pay attention to another power-related criterion – the ability of a specific group to impact on country stability. This statement is supported with respondents’ voices presented in Appendix 31 and summarised in Table 4.6.

Table 4.6: Properties of Stakeholder Power

What is a stakeholder power?	Who holds this power?
Being a country’s resource	
Being a country’s potential	
Driving changes in the country/region	Youth
Having demands from the country	
Having demands from the company	

As can be seen in Table 4.6, a stakeholder power is considered the ability of a particular group to: 1) drive changes in the country; 2) be a valuable resource for the country’s future; 3) or have the potential to be a valuable resource; 4) have legitimate demands from the country; and 5) from the company (these category properties are summarised in Appendix 31). According to the respondents, there is one group that presents all these factors and that is the group of young people. These five elements are considered an indication of stakeholder power and thus turns youth into the core and centre of CSR activity in the region.

Category 1.5 – Dimensions of ‘Giving Back’

As a result of sorting and comparing of memos and categories, I identified a few forms of ‘giving’ usually used by the respondents to indicate their CSR involvement. They can be divided into two main dimensional forms – perceptions and practice of ‘giving’.

‘Giving back’ as an expression was used by the majority of respondents to identify their attitude towards CSR and approach to conduct CSR practices. The fact that they see CSR as a form of ‘giving’ affects to a great extent how their CSR practices will be designed, conducted and who will be the object to benefit from them. I have to stress that CSR is *not* seen as ‘investing’ in a particular cause or in the community development (as in Western countries) but as a form of ‘giving’. Referring to CSR as an investment would suggest expectation of return for this investment, while ‘giving’ as interpreted in the data analysis, indicates a form of involvement that is not aligned with any expectation of return and has rather an altruistic nature. As a result of the memo and categories sorting I identified the following dimensions of ‘giving back’ (their construction is supported with the respondents’ voices presented in Appendix 32).

Giving as a moral obligation – Respondents believe that business and organisations are *morally obliged* to give back and contribute to societal development. It is a matter of moral duty. The feeling of ‘being morally obliged’ was identified as driven by religious values and norms (statement originating from the category sorting presented in Appendix 33).

Motivation – Respondents consider ‘giving back’ as their motivation to be involved in socially responsible initiatives. They are driven by a desire to contribute to their country and community and give to others the same opportunity that has been given to them.

Basic Responsibility of the Organisation – Respondents believe that ‘giving back’ is a practice that every organisation should be involved in. That is the practical reflection of believing that ‘giving back’ is a moral obligation.

Indicator for Ethical Business – Being involved in ‘giving’ gives a positive image of the organisation, social license to operate and a general acceptance by the community. As stated by the respondents, ‘giving back’ could be particularly

beneficial for banking institutions due to the traditional negative image associated with them.

Using Multiple Ways to Give – Organisations involve themselves in a range of forms of giving that are not necessarily constrained to monetary help only but include contributions based on corporate capabilities, knowledge and expertise.

Marketing Tool – Participants ‘give back’ in order to respond to stakeholder needs and contribute positively to marketing and financial stability of the organisation.

The fishing metaphor which was identified as a result of the category sorting “Dimensions of ‘giving back” (Appendix 33) played the role of analytic tool that indicated a link between Category 1.5 and the Categories 1.6, 1.7, 1.8 and 1.9. In other words, the fishing metaphor links the respondents’ attitudes towards ‘giving’ with the corresponding organisational CSR approach applied. As such, the *fishing metaphor* is a specific metaphoric way to illustrate a particular attitude and an approach towards CSR. The expression “*We don’t give them a fish, but we teach them how to fish*” was identified multiple times and generally demonstrates the mode of ‘giving’ performed by organisations while applying CSR (see Categories 1.6, 1.7, 1.8 and 1.9). Instead of ‘giving’ the community ‘*a fish*’ (i.e. giving them direct financial support widely practised by charity-oriented / expanded CSR, see below) they ‘*teach them how to fish*’ (i.e. giving them knowledge and employment programmes usually practiced in semi-/integrated CSR, presented below).

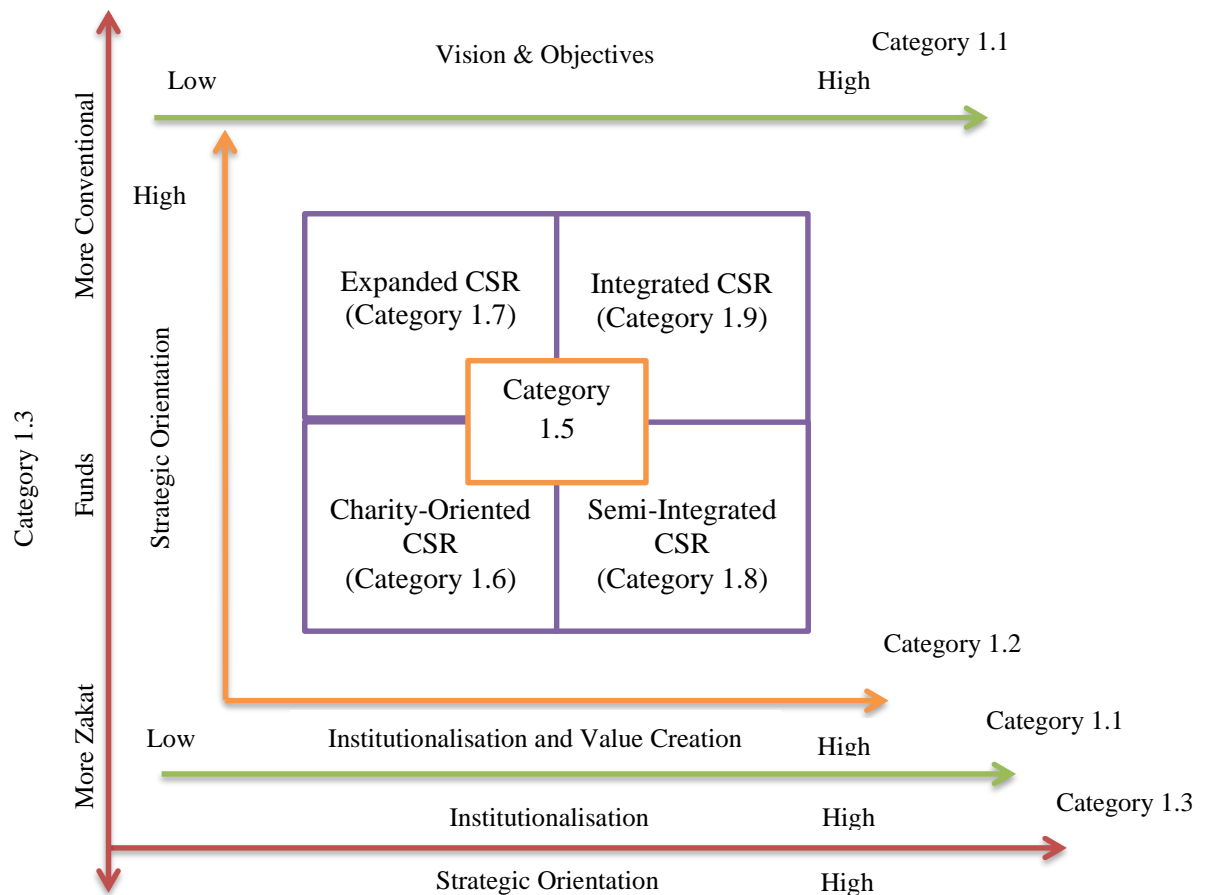
Construction of Categories 1.6, 1.7, 1.8 and 1.9

The construction of these four categories is presented together because they are the outcome of the intersection between Categories 1.1, 1.2, 1.3 and 1.5 discussed above. Practically, I believe that their intersection illustrates the most important aspects of organising a (CSR) practice, i.e.:

- the what (subject and object of the activity)
- why (motivations and reasons)
- and how (approach and strategy of execution) questions of conducting CSR.

For that reason, the Categories constructed and the relationships between them affects whether the company is applying CSR models / Categories 1.6, 1.7, 1.8 or 1.9 (Figure 4.6).

Figure 4.6: Intersection between the Categories



Source: Author's original work

The intersection between the Categories (Figure 4.6) led to development of four models each very different in their approach and institutionalisation of CSR. The

Categories 1.6, 1.7, 1.8 and 1.9 represent four distinct approaches for conducting CSR practices in the Middle Eastern region. Any potential change in the Categories composing Figure 4.6 and in their properties will force the organisation to switch from one CSR model to another. Figure 4.6 is a visual representation of Categories 1.1, 1.2, 1.3 and 1.5 presented above and the outcome of their interaction - four distinct CSR models constructed on the basis of organisational practice. The CSR models and their features are presented in tabulated form in Appendix 34.

Weak institutionalisation and lack of strategic orientation are associated with the charity-oriented CSR model (Category 1.6). That consequently reflects on the shared value a company would deliver as a result of this CSR model. The higher the institutionalisation and strategic orientation of the CSR model is, the greater the value delivered will be (Category 1.2). As such companies implementing integrated CSR (Category 1.9) have the institutional and strategic dimensions and greater chances to do so. Institutional shape affects the CSR vision and objectives. Category 1.1 presents the interdependence between CSR institutionalisation and CSR vision and objectives. Organisations perceiving CSR as a charity-oriented practice and approaching CSR in a non-institutionalised manner usually focus on community only as a stakeholder of a CSR interest and altruistic activity (Category 1.6). Expanded CSR (Category 1.7) also concentrates CSR efforts on community only but operates within a broader scope of CSR initiatives. This scope is significantly larger for companies applying integrated and semi-integrated CSR. These two approaches are associated with higher institutionalisation and a more strategic shape to their CSR objectives. Sources of financing CSR impact on the CSR initiatives and CSR orientation (Category 1.3). The more the organisation relies on zakat funds, the less strategic its initiatives will be. Collecting zakat funds is evident in most of the sample companies, even in the ones applying integrated and highly strategic CSR. Therefore, collection of zakat could occur irrespective of the CSR model applied. However, as broadly explained above, any initiative, regardless of the general CSR approach in the organisation, when financed with zakat money will be altruistically oriented.

Charity-oriented CSR model (Category 1.6) is observed to utilise zakat funds more than integrated CSR model (Category 1.9).

The primary receiver of organisational ‘giving back’ (Category 1.5) is always community (Category 1.4). Any other potential stakeholder group is of secondary importance. This was recognised as an operational approach regardless of the CSR model. The CSR models applied by the sample companies are summarised in Appendix 35.

Category 1.10 – Family-Owned Enterprises and Category 1.11 – Impact of Niyya on Accounting and Reporting of CSR can be observed only within the charity-based CSR model (Category 1.6). Their properties cannot be identified within the other three CSR models. Family-owned enterprises were identified as extensively focused on charity-related activity. Accounting and reporting on CSR is a part of CSR institutionalisation and a company cannot be classified as having an institutionalised CSR approach without CSR reporting. Therefore, lack of accounting and reporting in this regard can be identified only within a non- /semi-institutionalised CSR mode which is associated with charity-oriented CSR (Category 1.6). Hence, they are discussed (below) separately from the model in Figure 4.6.

Category 1.10 – Family-Owned Enterprises

The study collected data from 4 family-owned enterprises. The data analysis suggested that they are more predisposed to conduct charity-oriented and pro-community focused CSR activities as presented in Appendix 36. The data analysis indicated that the altruism in their practices is driven by family values that affect organisational CSR performance. As a result, we have impact on family values on corporate culture that results in altruistically oriented CSR, as stated by the respondents:

*“The first one is the **family commitment**. As a family they see it as a **commitment to the society**, which is first. Then it comes to our corporate*

strategy itself. One of our corporate values is carrying, to care about people and to find dignity for people. This is among the family and corporate value. So these are among the drivers within the corporation that drive us to be socially responsible.” (OM4)

*“Here I have to say that CSR is not really a new practice in our organisation. We used to participate in various community practices far before CSR was introduced in the region, **probably because this is what our founders believe in and is part of their family values**” (OM15)*

Moreover, family businesses do not account their CSR commitment, which results in a non-institutionalised CSR approach. This is relevant to the organisations listed in Appendix 36, where organisational CSR practices are not reported and there is no CSR information publicised on their websites.

Category 1.11 – Impact of Niyya on Accounting and Reporting of CSR

I interpreted that some of the examined organisations are not involved in accounting/reporting of their initiatives. All of them apply a charity-oriented CSR approach. However, nine of them clearly stated that they avoid publicizing CSR information because they follow the religious requirement for niyya (supported with reference to their voices in Appendix 37). Respondents avoid announcing their CSR involvement and lack any possible desire for obtaining direct/indirect corporate benefits from their CSR campaigns. This factor was found to exist irrespectively of the companies’ size, industry and scope of activity.

The requirement for niyya was interpreted as the reason for respondents’ lack of desire to publicise their CSR initiatives. Niyya is further supported by the fact that people living in the Middle Eastern region consider talk about money and value as inappropriate, as stated by EM18: *“People here believe that conversations, discussions and **bragging about money is inappropriate and sign of bad manners.**”*

The fact that niyya is evident in the CSR initiatives of local organisations explains to a good extent the prevalence of charity-oriented CSR in the region. This does not suggest that all companies apply the same approach, but demonstrates why nine of the sample companies avoid publicising their contribution and consider generating benefits (direct/indirect) of CSR campaigns as unethical. The notion behind the religious requirement for niyya was interpreted from the data analysis as a prerequisite for that.

Relationships between Categories in CC1 – Operation of CSR

CC1 is based on eleven Categories, built as result of the data analysis, the construction of which was discussed above. Table 4.7 summarises the information presented in this chapter about their construction. The results of CC1 and the eleven Categories are presented in Chapter 5. The categories are further compared and discussed with relevant academic literature in Chapter 7 in order to be raised to categories in substantive theory 1 (ST1).

The categories presented above share one common element – they all identify operative dimensions of CSR. CC1 is linked to Categories 1.1 – 1.10 constructed in the data as their relevance to CC1 is presented in Appendix 38. The categories identify specific operational dimensions related to organisations’ and participants’ experience with the phenomenon. CSR is conducted in various institutionalised forms and a strategic approach to different degrees, depending on the overall vision and objectives associated with the phenomenon of examination. As result, the institutional approach towards CSR affects the CSR strategic operation and consequent value that the organisation will deliver to community (and eventually business) as result of the CSR conduct. The strategic operation here depends significantly on the source of financial support that will be used to support organisational CSR commitment. The operation of CSR is also affected by external contextual dynamics associated with the Middle Eastern environment that the organisation needs to produce a (CSR) response to and operate in accordance with the institutionalised power held by stakeholders. Organisations hold different perceptions of the operational dimensions of ‘giving’.

Table 4.7: A Synopsis of the Categories in CC1

Category	Related theme	Construction Demonstrated
1.1	- CSR vision and objectives - CSR institutionalisation	- Table 4.5: Example for the identified relationship between modes of institutionalisation and organisational vision and objectives - Appendix 26: As result of memo sorting and category comparison was identified relationship between mode of institutionalisation, CSR vision and objectives
1.2	- CSR vision and objectives - CSR institutionalisation - SVC	- Appendix 26: As result of sorting was identified relation between mode of institutionalisation, CSR vision and objectives - Appendix 29: Identified relation between vision and objectives and social value creation
1.3	- religious funds - conventional funds	- Appendix 30: Funds used by the organisation with reference to their CSR approach
1.4	- stakeholder power	- Appendix 23: Sorting memo, where Category 'Focusing on community' was established as a separate analytic unit. 'Focusing on community' indicates importance of community for organisational CSR practices. This served as a basis for the construction of Category 1.4 - Appendix 31: Properties of Category 1.4
1.5	- dimensions of 'giving'	- Appendix 32: Demonstrates the Category properties - Appendix 33: Demonstrates the Category sorting memo and its construction
1.6	- CSR operation	- Figure 4.6: Presents graphically the intersection between the four Categories the product of which are the four CSR approaches
1.7	- CSR operation	- Figure 4.6: Presents graphically the intersection between the four Categories the product of which are the four CSR approaches

1.8	- CSR operation	- Figure 4.6: Presents graphically the intersection between the four Categories the product of which are the 4fourCSR approaches
1.9	- CSR operation	- Figure 4.6: Presents graphically the intersection between the four Categories the product of which are the four CSR approaches
1.10	- family values and norms	- Appendix 36: Presents futures of the CSR practices applied in family-owned companies and the importance of family values for CSR conduct/organisational culture
1.11	- CSR accounting and reporting	- Appendix 37: Presents the impact of niyya on CSR accounting/reporting with reference to respondents' voices
CC1	- Relevance of the Categories to CC1	- Appendix 38: Demonstrates how the Categories interlink and inform CC1

As result of the first three interdependencies, organisations conduct CSR operations in four different manners. Institutional power of stakeholders, contextual dynamics and perceptions and practice of 'giving' are factors relevant to all four CSR approaches. CSR is operated differently in family-owned enterprises. Accounting and reporting initiatives are affected significantly by religious-related factors.

4.3.2. Constructing Core Category Two (CC2) – Islamic CSR

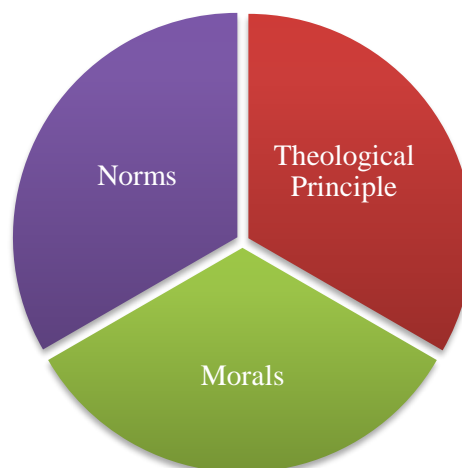
The following section demonstrates the process of Categories construction that inform CC2. The results of this analysis are presented in Chapter 6.

Category 2.1 – Relationship between Islamic Principles and CSR Practices

The property "Being morally obliged to support community" (presented in Appendix 23) shed light on the issues identified in the sorting of the category "Taking care of the community as a DNA" and more precisely on the ideational and ideological factors associated with the respondents' belief that they are morally obliged to support community. As the sorting of memos identified, this belief is driven by religious ideological norms and values professed by the

respondents. The data analysis identified that the sample organisations use a set of Islamic principles, morals and norms as a blueprint and source of inspiration for their CSR practices (summarised in Appendix 39). As result, their initiatives have different scope and orientation when compared with the CSR practices of the Western world. Taken together, those three elements create a platform for CSR engagement of local companies as suggested in Figure 4.7. Their importance for the CSR activity of the examined organisations is presented in Appendix 39 where practical dimensions of CSR in the region identified through the data analysis are linked to their religious principles as suggested by the respondents.

Figure 4.7: Islamic Platform for CSR Practices



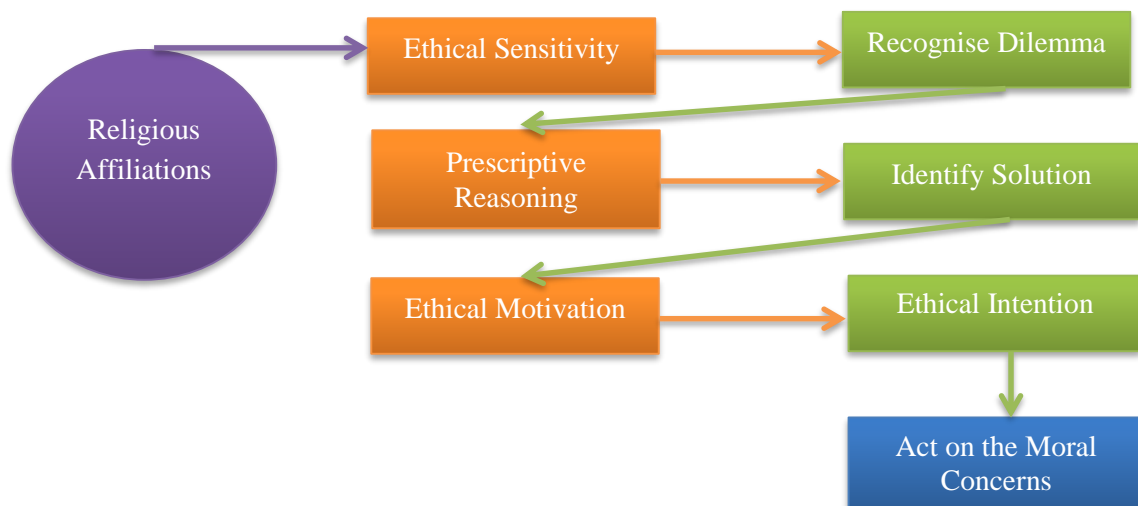
Source: Author's original work

Category 2.2 – Impact of Religious Affiliations on Organisational Behaviour

The data analysis and sorting (Appendix 41) identified that the religious factors presented above (and summarised in Appendix 39) predispose one to the establishment of a specific set of internal emotional prism, belief system and morals that shape the mode of communication of social actors with the external reality. I interpreted that this set is largely driven by the religious affiliations identified in the study. Thus, the internal moral emotions and perceptions for ethical behaviour are built as result of religious affiliations that drive and transfer

to external behavioural patterns including ethical behaviour. That leads to the development of specific behavioural patterns that translate to individual-level decision-making and consequently to organisational behaviour. The impact of religious affiliations to the decision-making process is presented in Figure 4.8 as interpreted in the data analysis:

Figure 4.8: Impact of Religious Affiliations on the Process of Individual-Level Decision-Making



Source: Author's original work

- 1) *Ethical sensitivity* (Figure 4.8) identifies one's ability to recognise an issue as such. Being raised and educated in Islamic principles since early childhood, individuals build a specific set of *behavioural models* that recall an automatic response of the specific *dilemma* or problem as suggested by respondents:

"For us, taking care of the other, making donations, feeding the poor and all this tradition of supporting people in need is engraved in our psyche, it is part of our nature, so it become our way to

communicate with the world. You can see a proof for that in all the charity activity during Ramadan” (SA11).

- 2) Once the problem is recognised as such and there is an emotional response, individuals would identify the ideal solution to the particular ethical dilemma - *prescriptive reasoning*. When supporting the needy is built into the individuals’ behaviour models, it is likely a *solution* (Figure 4.8) that would be associated with providing material or financial help for solving the moral dilemma to be identified:

“Giving away and supporting, especially the word ‘supporting’ come at the top of priorities. So it’s really highlighted by Islam to support” (OM10).

- 3) *Ethical motivation* (Figure 4.8) involves one’s formulation of *ethical intention of* whether to comply or not with the ethical judgement made previously. As interpreted in the data analysis, this decision is directly driven by religious affiliations, and more precisely by the religious promise for afterlife:

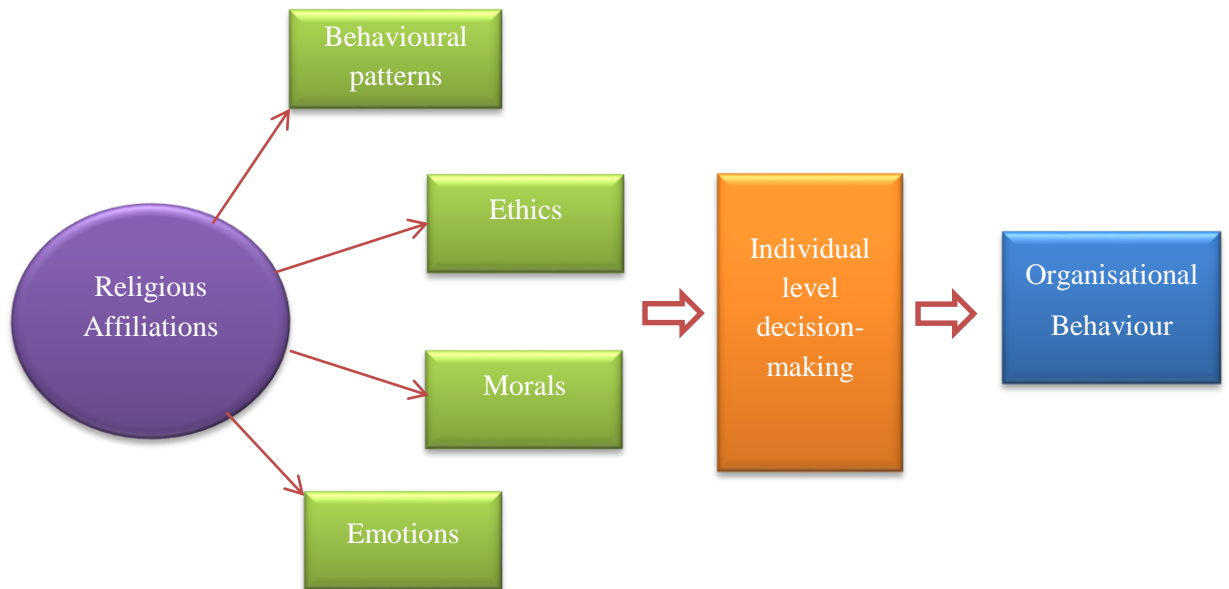
*“When you are doing good deeds with a clear intentions **niyya**, and you are not asking anything for yourself, **God will reward you in the day after because you helped others and you put others before yourself.**”* (OM24)

- 4) Consequently, a specific *act on the moral dilemma* (Figure 4.8) driven by the above three steps will be performed by individuals. The specific response is presented in Category 2.4.

The strong impact of religious affiliations on the four steps of individual level decision-making, morals, ethics, emotions and behaviour patterns leads to the establishment of a specific *ethical character* of executive directors that shapes

organisational behaviour and organisational response to a specific problem observed in the environment. This is presented in Figure 4.9.

Figure 4.9: Impact of Religious Affiliations on Organisational Behaviour



Source: Author's original work

As EM17 stated:

“Islam plays a crucial role here in the region, more than you can imagine. And when you have a CEO or executive that supports the ideas of Islam such as zakat, sadaqah, waqf and etc, it is more than normal to see this same behaviour in their executive decisions. For that reason, here in the Gulf corporate world gives millions for charity and to distribute help.”
(EM17)

As interpreted in the data, when individuals have a specific mind-set, emotions, behavioural patterns, understandings for ethics and morals that are largely created as result of religious affiliations, it is likely that their executive-level decisions

and consequently organisational behaviour will be driven by those same religious affiliations.

Category 2.3 – Impact of Hazanat on Ethical Character and Organisational Motivations

As result of the memo sorting, I identified that the religious belief in afterlife and the promise of rewards in the afterlife known in Islam as *hazanat*, impacts on the ethical character of respondents and their motivation to produce a response to an ethical dilemma (Appendix 40). When presented at the executive level, this ethical character and motivations, transform to organisational motivations to behave in an ethical manner, as presented in Appendix 42.

Ultimately, contributing to society and satisfying God as suggested by respondents, results in obtaining *hazanat* for one's good deeds. This belief is an important component of the Islamic teaching and predisposes one to development of a specific ethical character and mind-set that is compliant with the divine expectations for human and ethical conduct. Professed by executives, that consequently impacts on organisational-level operations. These operations are regarded as a platform for obtaining positive rewards and CSR as the practical tool for that purpose (Appendix 42).

Category 2.4 – Impact of Hazanat on Organisational CSR Initiatives (why focus on specific ones)

Comparison between primary and secondary data resulted in the identification of a very interesting phenomenon – that the notion behind *hazanat* affects the types of CSR initiatives that organisations would apply in the examined context (Appendix 41). Generally, this is driven by the three possible ways a person can obtain *hazanat*:

- 1) “One of them is *leaving behind beneficent knowledge or science, discovered new knowledge, books, inventions, produced positive impact to*

the people so every time people benefit from your knowledge after you die, it will add credits to you even after your death.” (SA5)

- 2) *“So if you dig a well or build an orphanage, or build a school, or build a hospital, as long as people drink from the well, walk on the road or are treated in the hospital, every time this takes place after your death, there will be a continuous flow of rewards and blessings coming to you even after your death.” (SA15)*
- 3) *“The third one, is preparing your children or student to be a good citizen and to have a positive place in the society, so it’s about human capital”. (EM9)*

These three forms of CSR initiative – knowledge-sharing; improving infrastructure (building of roads, schools, hospitals, houses), and investing in human capital development represent the majority of the CSR initiatives conducted in the region, as can be seen from the content analysis presented in Appendices 11, 12 and 13. Therefore, as suggested in the data analysis, the religious affiliations associated with the notion behind *hazanat* were identified as a prerequisite for the strong organisational emphasis on these three specific forms with regard to CSR initiative development.

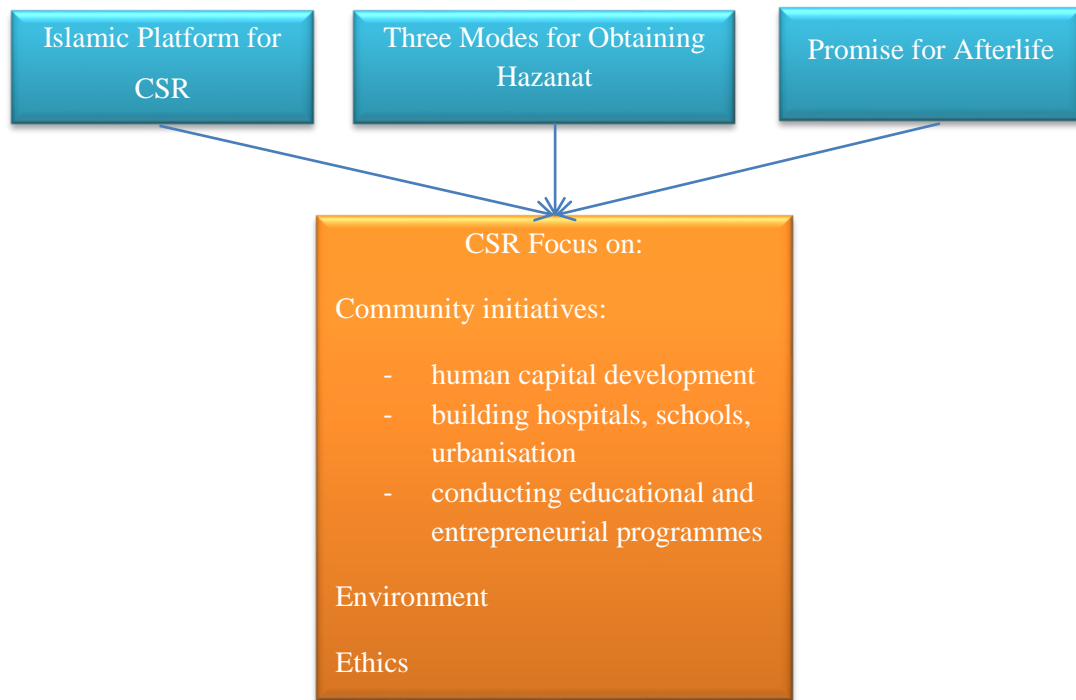
Category 2.5 – Islamic Initiatives for CSR Practices

As result of data analysis and comparison between the information provided in Appendices 11, 12 and 13 and the Categories in CC2, I identified a specific set of CSR initiatives that could be considered as a ‘rule’ in the Middle East. Their mandatory status was identified as a product of the interaction (Figure 4.10) between the Islamic principles, morals and norms presented in Category 2.1, the promise of afterlife that shapes ethical character (Category 2.3), and the three modes for obtaining *hazanat* (Category 2.4).

The result of this interaction is a set of CSR initiatives largely driven by Islamic principles, morals and norms (Appendix 39) that overlap with the notion and three modes of obtaining *hazanat* (Category 2.4). Although the concept for *hazanat*

does not include environmental protection and ethical concerns, these elements were interpreted as important for the CSR activity in the region due to the principle of *emara* (Appendix 39).

Figure 4.10: Islamic Initiatives for CSR Practices



Source: Author's original work

Category 2.6 – Impact of Islam on CSR Orientation

The data analysis (Appendix 41) resulted in identifying that the CSR practices in the Middle Eastern region and their orientation are significantly affected by the Islamic principles presented above. The importance of Islam for the current pro-community-oriented CSR in the region was supported by a number of respondents. They are unanimous that Islam plays a significant role for the CSR orientation (Table 4.8) in the region and has a significant impact on the current status of CSR in the Middle East. As the data analysis demonstrated, this impact is visible at every stage in the CSR activity development in the region, starting from the initial level of individual and organisational motivations to engage with CSR,

through the development, implementation, focus and orientation of the CSR practices and their consequent accounting.

Table 4.8: Impact of Islam on CSR Orientation

Respondents' Comments
<i>"We used to do what Islam tells us for CSR centuries before CSR was developed in the West"</i> (SA1)
<i>"CSR is not something new for us. Although we don't have a CSR concept in the Middle East, we use the books and what the Prophet told us to do"</i> (SA9)
<i>"In Islam we have certain principles that we follow to govern our life, our business, our countries."</i> (OM2)
<i>"We focus on the humanitarian side of CSR probably because that was emphasised by the Prophet, but if you look at the corporate activity and CSR in the region, you will find significant differences compared with the West"</i> (OM10).
<i>"I think Islam is probably the reason why every company or majority of the companies already have an acceptance of the idea that they have to give back"</i> (OM1)
<i>"Yes, without Islam, CSR would have been totally different. Probably it would have been more like the model of Western countries and more oriented towards keeping a positive corporate image, competitive advantage, marketing stability. Here CSR is different and is made around humanitarian needs"</i> (EM17)

Relationships between Categories in CC2 – Islamic CSR

As result of the data analysis, I interpreted two separate Core Categories that shed light on different levels of analysis. The construction of the first one, CC1, was presented in Section 4.3.1, whilst Section 4.3.2 presented the logic followed in the construction of CC2 and its Categories. The Categories and their relevance to CC2 is presented in Appendix 43. The CC2 Categories identify a specific form of CSR that is largely driven by Islamic norms and views for ethical individual- and organisational-level conduct. As interpreted in the analysis, Islamic principles provide a foundation for conduct of a specific form of CSR as these principles affect ethical organisational behaviour and motivations to participate in CSR activity as well. Driven by a specific set of religious affiliations, organisations focus and concentrate their CSR efforts into a particular range of CSR initiatives in order to fulfil their religious duties. Therefore, we observe a specific set of CSR

Table 4.9: A Synopsis of the Categories in CC2

Category	Related theme	Construction Demonstrated
2.1	- Islamic principles	- Appendix 23: ideological norms, values and traditions as a prerequisite for being ‘morally obliged’ to support community - Appendix 39: demonstrates the driving principles, morals and norms that affect organisational CSR activities
2.2	- decision-making - religious affiliations - organisational behaviour	- Appendix 41: demonstrates the impact of Islam for organisational CSR practices
2.3	- ethical character - motivations	- Appendix 40: Islam as a primary motivator for CSR engagement - Appendix 42: demonstrates the impact of Islam on ethical character
2.4	- CSR initiatives	- Appendices 11, 12, 13: summary of organisational CSR activities - Appendix 41: demonstrates the impact of Islam for organisational CSR practices
2.5	- Islamic CSR initiatives	- Appendices 11, 12, 13: summary of organisational CSR activities - Appendix 39: demonstrates the driving principles, morals and norms that affect organisational CSR activities
2.6	- CSR orientation	- Appendix 41: demonstrates the impact of religion on organisational CSR orientation - Table 4.8: Impact of Islam on CSR orientation with reference to respondents
CC2	- Relevance of the Categories to CC2	-Appendix 43: Demonstrates how the Categories interlink and inform CC2

initiatives that are largely a product of religious affiliations. A synopsis of the Categories and CC2 is presented in Table 4.9. Their results are presented in Chapter 6. The categories are further compared and discussed with relevant

academic literature in Chapter 7 in order to be raised to substantive theory 2 (ST2).

4.4. Chapter Summary and Conclusion

Constructive Grounded Theory (Charmaz, 2006) strategy has guided the data collection and analysis. Chapter 4 engaged in detailed and visual presentation of the processes followed for the construction of the analytic components of the study. The chapter also presented how the constructive turn of Charmaz (2006) has been applied in organisational research. As result of its application, the study constructed two Core Categories (CC1 and CC2) that represent respectively the operational and ideological dimension of the examined phenomenon and its implementation in the Middle East. Although the second core category was not expected, it was construed as result of the abductive reasoning and a few surprising facts associated with the importance of Islam that were not initially anticipated. Although the two categories inform each other, they highlight different level of analysis and can exist independently. The data analysis process was demonstrated by presenting Figure 4.1 and supporting information included in the study appendices. The appendices served as a visual presentation of the analytic processes composing Figure 4.1 – starting from the initial memo writing, substantive and theoretical coding, theoretical memoing, sorting, diagraming and category building. While this chapter was focused on presenting the analytic procedures behing *how* the categories were constructed, CC1 and CC2 are subject of presentation respectively in Chapter 5 and Chapter 6.

CHAPTER 5: RESULTS PART ONE – CORPORATE SOCIAL RESPONSIBILITY IN THE MIDDLE EASTERN COUNTRIES

5.1. Introduction

This chapter presents the first set of the data analysis results. The chapter begins with a brief presentation of the study research questions and results related to them. Section three presents the results of the pilot study. Section four presents the main study results and the categories constructed in CC1. The categories and the relationship between them demonstrate how CSR is being operationalised by the examined organisations and the factors that lead to these specific forms of CSR execution. The fifth part of this chapter presents results related to the Middle Eastern contextual factors and driving decision-making processes upon which organisations develop their CSR engagement. The sixth section concludes and summarises the first set of results.

5.2. Results for the Research Questions

This section summarises the results of the data analysis and provides answers to the research questions.

RQ 1. How is CSR perceived in the Middle Eastern countries?

The secondary and primary data analysis and comparison identified that CSR in the Middle Eastern countries is perceived as a synonym of ‘giving’ that aims to build strong and sustainable community. The study identified that organisations achieve their CSR objectives by utilising four possible CSR models (Categories 1.6, 1.7, 1.8 and 1.9). These four models are divergent in their approach to CSR but share some commonalities as well. These convergences are the shared view for CSR they have – ‘giving’ – and the stakeholder group with a major importance

for their CSR practices – community. ‘Giving’ is predominantly externally oriented towards community and their needs. Exceptions are organisations that implement more institutionalised and strategized forms of CSR (Category 1.9).

RQ 1.1. What is the social role of business in the Middle Eastern countries?

Respondents see business as responsible to ensure well-being of the community. This is a result of weak institutional presence and inadequacy of authorities to fulfil societal needs and demands.

RQ 1.2. How is CSR being practised in the Middle Eastern countries?

Secondary data analysis showed that the Middle Eastern organisations engage in a wide range of community-inspired initiatives ranging from providing free food during Ramadan and sponsoring hajj to building schools, hospitals and roads. Community is the primary beneficiary of organisational CSR activity in the region as result of weak institutional support, strong impact of religion and contextual dynamics that led to institutionalisation of community as a stakeholder with primary importance in the region (Category 1.4).

RQ 1.3. How do organisations interact with stakeholders as part of organisational CSR initiatives?

Secondary data analysis showed that organisations consider multiple stakeholders (e.g. community, employees, environment, business partners, suppliers, distributors, government and NGOs) (see Appendices 11, 12 and 13). On the other hand, primary data analysis demonstrated that community is the most important group with significant CSR importance for all examined organisations. Other stakeholder groups were not considered by the organisations or were given secondary importance.

RQ 1.4. How do organisations engage with stakeholder concerns as part of organisational CSR initiatives?

Secondary data analysis identified that the sample companies deal with 16 stakeholder-related concerns ranging from Shari’ah Board related matters to

education, health and religion (see Appendix 11, 12 and 13). I interpreted that stakeholder concerns, and more precisely community concerns, serve as a basis for the development of organisational CSR objectives. Local organisations assess community needs by consulting governmental and non-governmental institutions for that purpose.

RQ 2. Is Islam exerting impact on organisational CSR activity?

Islam was identified as having a significant importance for the CSR activity in the examined organisations. Influence of religion is visible in every stage of the CSR behaviour of organisations in the region starting from the executives' motivations to conduct CSR until the CSR agenda implementation, accounting, reporting and measurement of impact. The religious context and its significance for the operational dimensions of the examined phenomenon are presented in Chapter 5 through Categories 1.10 and 1.11. Chapter 6 presents results related to ideological and individual-level impact of Islam and its subsequent transition to organisational behaviour.

RQ 3. How CSR is being institutionalised in the organisations?

As result of the data analysis, I interpreted three main approaches for institutionalising CSR – not-institutionalised, semi-institutionalised and institutionalised CSR. Their features and importance for the CSR activity in the region are presented through Categories 1.1 and 1.2.

RQ 4. What are stakeholder perceptions for CSR?

I interpreted that managers perceive CSR as a form of 'giving back' that indicates willingness of respondents to become active participants in building sustainable community with no indication of direct pursuit of return from the act of 'giving'. CSR models (Categories 1.6, 1.7, 1.8 and 1.9) indicate how organisations engage in 'giving'. This perception was identified as driven by coercive pressures. Moreover, the interviewed representatives of GOs and NGOs consider CSR as a form of organisational involvement related to charity-related forms of 'giving

back' to community. CSR is not considered as an investment tool or a strategic practice that would pursue economic objectives.

5.3. Presentation of Pilot Study Results

This section elaborates the results from the pilot study starting with the results from the content analysis of corporate reports and continuing with the pilot interviews.

5.3.1. Corporate Reports

I interpreted that CSR and sustainability accounting are not well-established practice in the Middle East and most of the examined organisations use annual reports for the purposes of CSR reporting. That explains the significant number of annual reports (Appendix 4) analysed in the pilot study. As result of the analysis, I identified that the examined organisations operate with seven stakeholder groups of interest by providing CSR response to sixteen stakeholder-related concerns (Appendices 11, 12 and 13). This is not to say that operational activity is constrained to seven stakeholder groups only, but that the examined organisations take into account only these stakeholder groups as part of their CSR operations. The stakeholder groups and their concerns are presented in Table 5.1.

I interpreted that community as a stakeholder group has a primary importance for the organisational CSR commitment that benefits from various community-inspired initiatives related to health care, education, employment, religious, cultural and sport related CSR programmes. Organisations also conduct employee-related CSR programmes ranging from professional and career development, to religious education and training. As partners are considered media, distributors, suppliers, government, NGOs and business associates. Environment is taken into consideration as well as companies invest in a variety of environmental programmes. Organisations focus their CSR attention on customer-related programmes that aim to provide high quality, green and Shari'ah compliant products (in IFIs) and services. Concerns related to the stakeholder group of regulators are associated with various organisations that

issue regulatory standards and legislation (e.g. government, chamber of commerce) and monitor corporate activity (e.g. central bank, institutions and authorities). Shareholder concerns are focused on on-time payment of dividends, ethical corporate governance, accountability and transparency of business operations, maintenance of regular board of directors or Shari'ah board meetings (in IFIs).

Table 5.1: Stakeholder Groups and Related Stakeholder Concerns

Stakeholder group	Related stakeholder concern
Community	Community, education, health, religion
Employees	Religion, employees
Customers	Religion, customers
Regulators	Regulators, government
Partners	Government, partners, NGOs, suppliers, media, distributors
Shareholders	Shareholders, Shari'ah board
Environment	Environment

Some authors (such as Lydenberg et al., 2010) consider CSR and sustainability reporting as sharing similar purposes. However, the content analysis suggested that CSR and sustainability reporting is used for different purposes in the Middle East. Sustainability reports serve for accounting on economic, environmental, social and corporate governance performance of the organisations. Information related to corporate products and services and product life cycle is also provided. This way of reporting can be accounted to both internal and external stakeholders.

However, I interpreted that the main purpose on CSR reporting in the Middle East is to account for the social, non-financial initiatives performed towards community. Detailed information about companies' donations, charity initiatives, social, health and environmental campaigns is provided in their CSR reports.

These reports are focused on accounting social, voluntary and charitable initiatives towards community. No financial information or any information related to shareholders, corporate governance, products, customers, financial achievements and/or performance was identified. This approach differs from conventional CSR reporting in Western countries.

Further contrast between the Middle Eastern approach for CSR disclosure and the one practised in the West is the honour given to legal and political authorities. All 146 reports without exception start with praising their local political leaders, royalties, presidents and ministers. People are committed and loyal to their leaders as hierarchical order and strong centralisation are well-established. In general, political leaders are seen as benevolent autocrats. Their influence is strengthened by the fact that Oman, the UAE and Saudi Arabia are absolute monarchies with unrestricted power of the ruling families.

Another contrasting approach between CSR disclosure in the Middle East and Western world is the role of God and religious objects. All 146 reports without exception begin with praising God and the Prophet Muhammad. Influence of Islam is visible in every aspect of daily life including the business sphere. As the data analysis suggested, CSR disclosure is not an exception.

The content analysis results shed light on RQ1 and partially on RQ2, although the research questions were fully answered after the interview data analysis. The high importance of community and focus on community-inspired initiatives was confirmed with the interview data analysis. However, as result of the interviews I interpreted that some of the above mentioned stakeholders (e.g. shareholders, partners, and customers) were not considered as part of the respondents' CSR agenda. That indicates discrepancy between what organisations account in their reports and what they actually do.

5.3.2. Pilot Interviews

The pilot interviews were a particularly important part of my study because they were my first direct contact with the research field. In addition to the first signs of analytical constructs in the data, the importance and significance of my study were also confirmed by the first participants in the study. All four of them stated at some point in the interview, that the Middle Eastern region lacks a comprehensive understanding of the CSR concept. For example, SA3 said that: *“All organisations at one point or another have some form of CSR going on, they just don’t know it is CSR, because we don’t have a definition for it.”* or the interview with SA2 who was certain that the main reason for lack of understanding of CSR in the region is the origin of the concept: *“People here are lacking knowledge on CSR. You just cannot translate what you call CSR in the US and expect us to understand.”* and SA1 according to whom this issue could only be solved if CSR is based on the Middle Eastern regional specification: *“So the best way to do CSR in the Middle East is to teach the people from the Middle East to do CSR by understanding, by UNDERSTANDING [he emphasises] them”* because the unique characteristics of the region as stated by EM1 lead to strong divergence between Western and Middle Eastern social and economic needs and that result in different approach to CSR: *“We work with different priorities because we have different needs and aspirations.”*

The results of these four interviews suggest that: 1) the conventional CSR is not compatible with the specifications of the Middle Eastern region, and 2) the region is still lacking a comprehensive understanding of CSR, since 3) local organisations do not have a CSR concept built around the unique characteristics and stakeholder needs in the region. Practically, these results represent the foundation of the study.

5.4. Main Study

The theoretical needs of the pilot study results served as a foundation for conducting the main study. As presented in Chapter 4, eleven Categories and one Core Category (CC1) that indicate the operational dimensions of the phenomenon

were constructed as a result of the data analysis. They can be presented in the following way:

Interdependences	[1. Category 1.1 – Interdependence between mode of institutionalisation and CSR vision and objectives
		2. Category 1.2 – Interdependence between mode of institutionalisation, CSR orientation and social value creation (SVC)
		3. Category 1.3 – Interdependence between sources of financing CSR and CSR orientation
External level	[4. Category 1.4 – Institutionalisation of stakeholder power
		5. Category 1.5 – Dimensions of ‘giving back’
Internal level	[6. Category 1.6 – Charity-oriented approach to CSR
		7. Category 1.7 – Expanded CSR
		8. Category 1.8 – Semi-integrated CSR
Impact of Islam	[9. Category 1.9 – Integrated CSR
		10. Category 1.10 – Family-owned enterprises
		11. Category 1.11 – Impact of Niyya on accounting and reporting
		12. Core Category – Operation of CSR

The first three Categories indicate interdependences and are related to institutional implications of CSR at the organisational level. They represent operational and strategic dimensions of CSR and the driving factors behind them. The interaction between these three Categories sets the foundation and affects the processes in the rest of the Categories. Categories 1.4 and 1.5 have social nuances and indicate organisational CSR activity at the external level. Categories 1.6, 1.7, 1.8 and 1.9 represent internal organisational processes. They are the product of the relationship between the Categories mentioned above and demonstrate the organisational conduct of CSR. These four Categories represent the CSR approaches implemented by the examined organisations. Categories 1.10 and 1.11 represent the impact of Islam on CSR practice of the organisations.

The Categories are presented below and arranged in a manner that enables the reader to follow the interdependences at the ground level and to indicate their impact on the operational conduct of CSR at internal and external organisational levels.

5.4.1. Interdependences

This section presents the three interdependencies constructed as result of the data analysis. Categories 1.1, 1.2 and 1.3 are focused on the internal organisational level and present the foundation upon which the CSR activity is set. The management of this foundation by the organisation affects the development of the other Categories and, respectively, how CSR will be conducted.

As demonstrated in Chapter 4, CSR is institutionalised in the examined organisations in a manner that shares common characteristics. Whilst not homogenous, there is a certain degree of similarity in the approach and execution of the system, processes and activities performed by the organisations in order to institutionalise their CSR commitment. This element of isomorphism is demonstrated in Appendix 44 and provides evidence for the form of institutionalisation of CSR as practised by the Middle Eastern countries. In other words, the model presents the operational efforts in the examined companies to define their CSR, their response to institutional pressures and institutionalisation of CSR in society, as well as their CSR agenda as defined by organisational perceptions and views on CSR, reflected in their practice. Divergences in organisational approach to the presented model resulted in the construction of three modes of institutionalisation, discussed below.

5.4.1.1. Category 1.1 – Interdependence between Mode of Institutionalisation and CSR Vision and Objective

Mode of institutionalisation indicates the operational approach towards CSR which as I interpreted could be conducted in a non-institutionalised, semi-

institutionalised or institutionalised manner. These three approaches have the following characteristics.

Non-institutionalised: The company is not working with a specific CSR department or any department that takes the responsibility of designing, operating and executing CSR. Organisations conducting CSR in this manner are usually involved in short-term CSR initiatives that take place mainly during religious and national holidays or when support is requested by NGOs, private or governmental entities. Measurement of CSR impact is not applied. CSR agenda is not necessary since the company practise CSR in a non-systematic manner (unplanned manner, occasionally, usually when a specific reason occur). CSR is a short-term commitment not aligned with core business, competences and business operations. Usually these organisations involve themselves in CSR that could be explained as ‘giving’ (Category 1.5) of monetary support or volunteering for a specific cause.

Semi-institutionalised: CSR governed by a particular department, which could be marketing, corporate communications, public relations or any other department considered by the organisation as appropriate. Measurement of CSR impact is highly likely to be performed. Companies could use different quantitative measurement systems or qualitative indicators depending on the exact form of impact the organisation is interested in observing. Implementation of international standards such as Global Reporting Initiative (GRI) and UN Global Compact is also evident. Development of a specific CSR agenda is not a requirement as the organisation could share one of the features of the non-institutionalised mode of CSR – the unplanned and occasional involvement in CSR activity. Commitment to CSR is medium- to long-term, not aligned with business operations and core business. ‘Giving’ is performed by providing monetary help and volunteers for a specific cause.

Institutionalised CSR: CSR is part of a specifically allocated department for the social involvement of the company CSR or sustainability. Measurement of

qualitative and quantitative indexes related to impact of CSR practices is applied on a regular basis. Companies operate with their own matrixes or could operate with internationally recognised ones such as GRI or UN Global Compact. CSR is a well-planned strategy, consolidated and developed in accordance with the business strategy and core business' competences. However, exceptions are also possible and organisations could involve in non-strategic CSR. There is a specific CSR agenda and plan for its implementation. Although exceptions are possible and the organisation might be asked to provide support for a particular initiative, there is a strategic CSR plan followed systematically that is the backbone of organisational CSR practice. CSR is a long-term commitment aligned with business objectives and competences.

I observed presence of these three forms of institutionalising CSR in the examined organisations. Their features provided foundation for the construction of Categories 1.1 and 1.2. The section continues with presentation of the interdependence constructed in the category.

Mode of Institutionalisation – CSR Vision and Objectives

As result of the data analysis, I interpreted that the main role and responsibilities a particular department has, affect the CSR initiatives that will be implemented by the organisation. The department governing CSR reflects on the vision and objectives of the CSR programme executed by the organisation (Figure 5.1). This is supported with the answer of SA3 to my question related to institutionalisation of CSR:

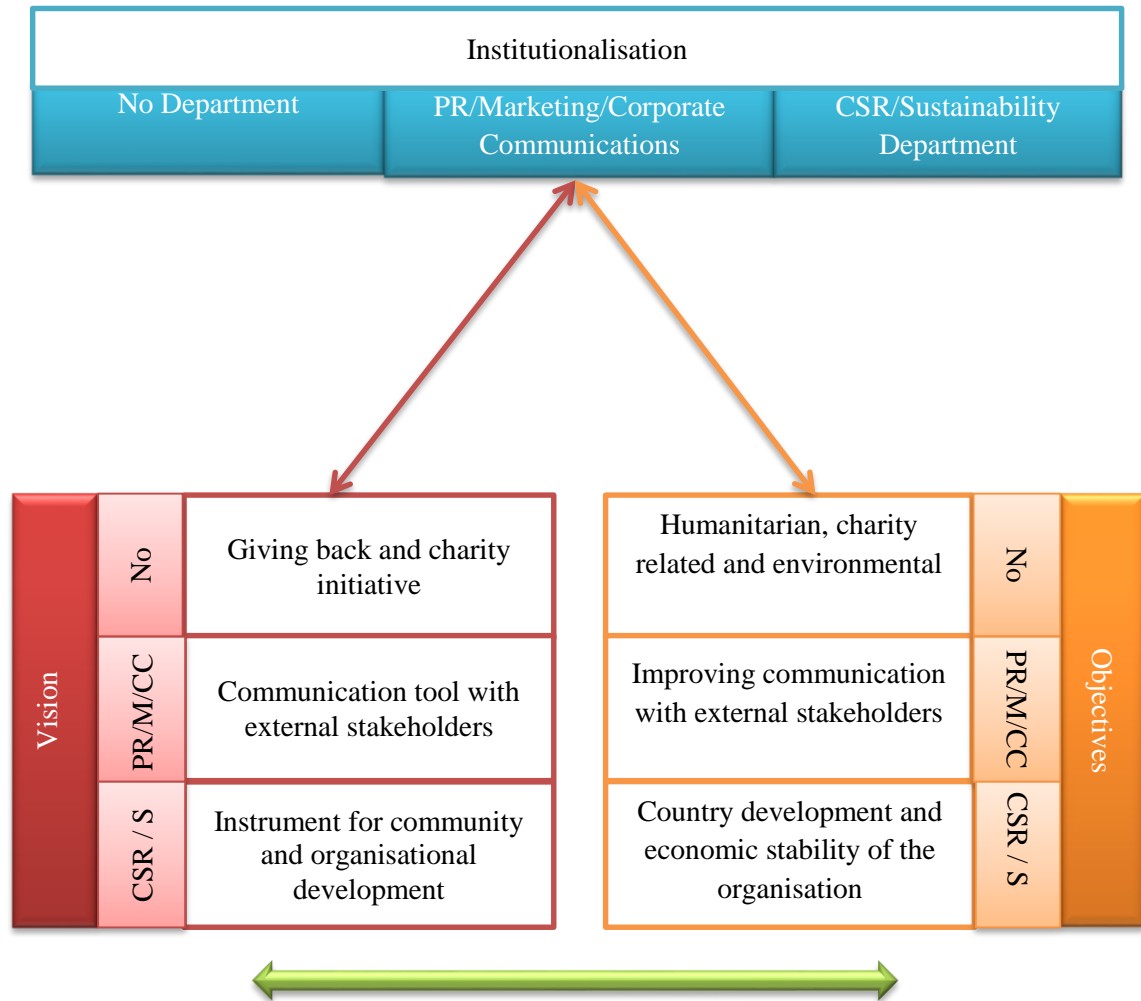
*“I take care of **corporate communications**. So as part of corporate communications is CSR. For us CSR is advertising, it's public relations, events management, web site, institution.”* (SA3)

In the case of SA3, CSR is conducted by the corporate communications department. As mentioned above, this is an indication for the semi-institutionalised mode of operating CSR. SA3's response demonstrates that the

objectives of corporate communication which has been entrusted to govern CSR have affected the vision and nature of their CSR programme. The importance of mode of institutionalisation and its direct impact on the vision, objectives and nature of the CSR initiatives applied by the companies was indicated by OM17 as well – CEO of one of the largest NGOs in the Middle East. His organisation relies on support of local companies in order to maintain their community and social programmes. When local companies agree to support his proposal for a particular cause or initiative, they account that support as CSR. He is certain that organisations with non/semi/institutionalised CSR communicate with NGOs and approach socially related initiatives differently, because *“their vision and what they want to do with the community, their language and the way they work with CSR is different”* (OM17). The impact of institutionalisation of CSR was also highlighted by EM13 who stated that: *“CSR is under marketing and communications and they see it as something nice that these common people do”*. (EM13)

As a result, I interpreted in the data that the mode of institutionalisation shapes how CSR will be executed. Being a part of PR/marketing/corporate communications leads to development of initiatives that will be affected directly by the primary objectives of the corresponding departments, as illustrated in Figure 5.1. As such, the main focus of CSR could be participation in social initiatives in order to raise brand awareness or improve corporate image. That can be achieved through a short-term CSR involvement without strategic planning (i.e. supporting cultural events, conferences, sport events and so on). The objective here is to promote the organisation, *“take pictures, publish it”* (OM10) and *“stick their logo [on it]”* (OM10). Focus here is on strengthening various marketing factors such as brand, corporate image, corporate reputation and etc. since this is the primary function of the above mentioned departments.

Figure 5.1: Interdependence between Mode of Institutionalisation, CSR Vision and Objectives



Source: Author's original work

On the other hand, institutionalised CSR is focused on working towards sustainable business and sustainable community. This is not to say that institutionalised CSR initiatives cannot lead or do not directly or indirectly seeking positive impact on brand and increased sales, but means that working with a CSR/sustainability department ensures that *the primary focus* of the organisational CSR agenda will be delivering on sustainable positive impact for community and for business. Any potential marketing and PR factors have a secondary importance. Institutionalised CSR works with a long-term vision and

develops particular initiatives that would ensure successful completion of the CSR objectives. Organisations that do not have institutionalised CSR are occasionally involved in CSR initiatives. Attempts for CSR planning are not evident and the CSR engagement of the organisation is not guided by a specific vision or objectives.

CSR Vision and Objectives – Mode of Institutionalisation

I also interpreted that the vision and objectives a company has for its CSR initiatives will shape through which department or to what extent their CSR involvement will be institutionalised. As mentioned above, organisations working with CSR on an occasional basis do not need a high level of institutionalisation since their CSR participation occurs mainly during religious and national celebrations, on a regular basis. Therefore, CSR is viewed as a voluntary practice usually associated with donations and community support. The CSR objectives are related to providing a short-term community support.

The CSR activity conducted by EM9 is an example for that interdependence. His organisation is involved in CSR only during the month of Ramadan:

“We make food packages, sometimes clothes or money and give it to people in the labour campuses during Ramadan.” (EM9)

Similarly, in the case of the organisation where SA14 is CEO, CSR is viewed as an external operation not related to internal business operations that is focused on providing community support. The objective here is providing help to people in need. There is no specifically developed plan and agenda for implementing CSR. Involvement in CSR happens on a random basis. The way CSR is viewed and executed affects the lack of institutionalisation of CSR in his organisation:

“Our CSR campaigns are organised around some specific events like Ramadan when we distribute food supplies to people in need, mainly in the labour campuses or we volunteer in different initiatives organised by the

local NGOs. With that we aim to demonstrate our community support. However, we don't account this activity and we don't really need a CSR department for that because this is something we do a few times in the year.” (SA14)

Organisations viewing CSR as a chance to become active participants in the development and growth of local communities have semi-institutionalised or institutionalised CSR depending on their objective. The organisational primary objectives here are usually focused on supporting government's efforts to building a sustainable community or to maintain a positive corporate image. As interpreted through the data analysis, when the focus is on building a sustainable business and community, an independently established CSR/sustainability department will also be created:

*“At our company **our aspiration of being a responsible corporate citizen** is based on understanding mutual needs and expectations in our relationships with local communities. We are committed to using our resources to protecting the environment, advancing education, and enriching communities wherever we operate.” (EM1)*

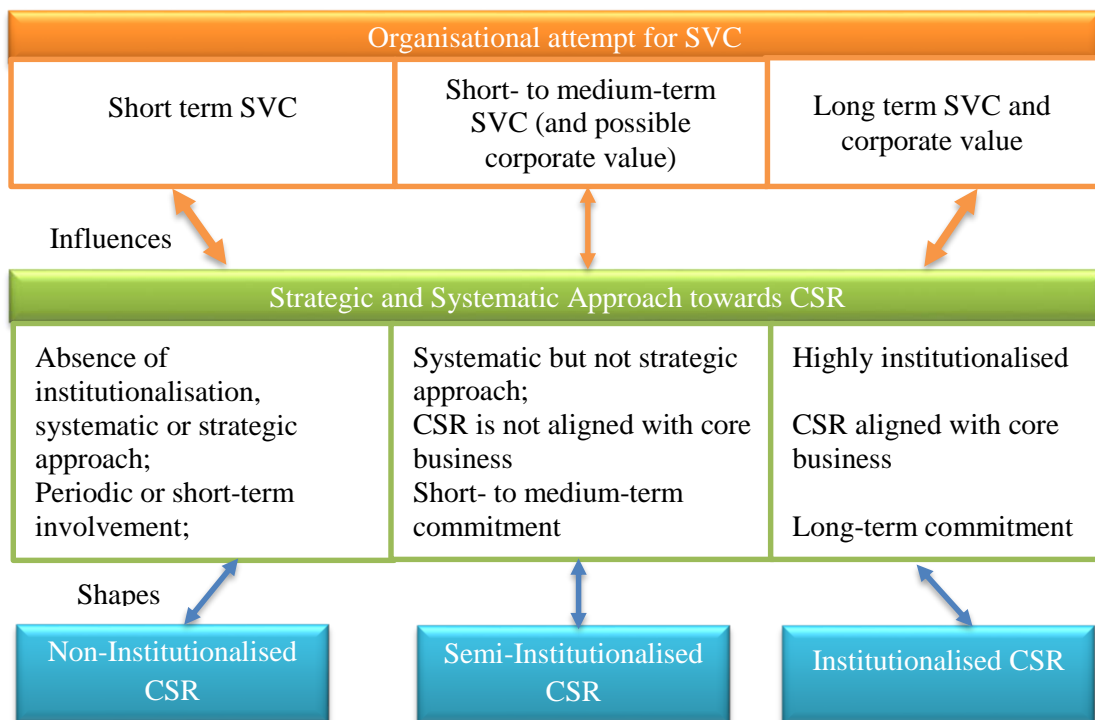
When the organisation puts its focus on marketing objectives, CSR operation will be associated with improving marketing position of the company by being an active contributor for the growth and development of local community. Thus, as interpreted in the data analysis, CSR will be executed through the PR/marketing/corporate communications' departments:

*“we manage to create this communicational channel with our customers through our marketing, advertising and CSR messages. That's part of our marketing strategy also and we try to utilise it as well. That's probably the most positive thing that came out from **CSR being part of marketing communications.**” (OM13)*

5.4.1.2. Category 1.2 - Interdependence between Mode of Institutionalisation, CSR Strategic Orientation and Attempt for Social Value Creation (SVC)

As presented through Category 1.1, Middle Eastern companies apply three different approaches for institutionalising their CSR commitment – not institutionalised, semi-institutionalised and institutionalised approaches. In addition to this finding, I interpreted that organisational CSR institutionalisation differs depending on the strategic orientation of their CSR initiatives and potential attempt for SVC (Figure 5.2). How CSR will be institutionalised shapes the CSR orientation and consequent SVC. The reverse process was also identified and consists in organisational determination for SVC that influences how CSR will be operated and that consequently define how the organisation will institutionalise its CSR practices.

Figure 5.2: Interdependence between Mode of Institutionalisation, CSR Orientation and Attempt for Social Value Creation (SVC)



Source: Author's original work

Mode of Institutionalisation – CSR approach – SVC

The importance of level of institutionalisation was strongly emphasised by respondents who highlighted the impact of mode of institutionalisation and its direct relation on providing social value. A good example in this regard was the interview with EM13 who clearly states how institutionalisation of CSR directly affects SVC:

*“If CSR is owned by your communications people, and **doesn’t have anything to do with the CEO** and is **not understood by the business** and is **not aligned with the business**, it has probably **very low social impact**. So if a company instead of having a CSR department inside of the communications department has a sustainability, **head of sustainability that reports to the CEO**, then probably that company **understand the shared value concept**.”* (EM13)

The strong influence and significance of mode of institutionalisation on SVC was further confirmed by OM17 according to whom, and as was presented above, organisations operate their CSR commitment differently but that also affects directly the consequent SVC that the CSR operation will achieve:

*“**There’s a huge difference when you approach a corporate that has a unit specialised in CSR and a corporate that doesn’t have one**. They treat you just like another partnership **and they don’t see the real value**, all they are trying to do is to find where to stick their logo and as much as possible to brand you according to their brand. While **organisations with a very well established CSR department, they talk a lot about social impact**. They don’t care how much they will spend but **they care about the impact** and how you are going to spend this amount and **how it will create value for their organisation and for the community**.”* (OM17)

Therefore, I interpreted that organisations applying non-institutionalised CSR might not be very successful in their efforts to deliver social value or make a

positive social impact through CSR. I interpreted that the most sustainable social impact is usually delivered by organisations operating with institutionalised CSR. They approach their CSR commitment in a very strategic manner starting from the initial phases of planning their CSR agenda in accordance with core business operations until the last stage of measurement of the CSR outcome. This approach of institutionalisation leads to long-term sustainable social impact. The mode of institutionalisation influences the strategic orientation and systematic approach towards CSR that eventually will impact on whether the CSR initiatives will lead to making a positive social impact and delivering social value. The higher the institutional level of development of CSR in the organisation is, the more strategic CSR would be and correspondingly the greater social impact the organisation will exercise.

SVC – CSR approach - Mode of Institutionalisation

The reverse process was also interpreted in the data analysis. The organisational commitment and desire to provide positive social impact influences the way organisations implement their CSR initiatives (Figure 5.2). The stronger the desire for providing social impact is, the more systematic and strategically oriented the company's approach towards CSR will be. That interdependence was clearly highlighted in the interview with OM10, a CEO of an Omani NGO, according to whom:

*“They give the money, take pictures, make it publish and we never hear from them again. If they like us, they will renew the contract. In one of the companies I went and they gave me 10,000 rials, they don't have a CSR department. Next year I went and they said ‘this year we are giving money for something else, come back in four years’. They don't have CSR department. So **this is not about sustainable relationships, they have a budget they need to get rid of and they try to spread it, everyone gets part of it, they don't think of investing it or making strategic social impact**”*
(OM10)

The example given by OM10 states clearly that lack of organisational initiation or commitment towards achieving SCV usually results in weak execution and approach towards the organisation's CSR practices which would result in a non-institutionalised mode of operating CSR. On the other hand, when an organisation concentrates operational- and executive-level efforts to deliver SVC, that organisation would operate with a strategically oriented and systematically approached CSR operation governed within an institutionalised CSR frame.

A significant part of the organisations in the Middle East engage in non-strategic, semi-systematic approaches of exercising CSR (summary of their institutional approaches is presented in Appendix 28), usually associated with distributing financial resources to multiple and various in their essence and scope initiatives. These initiatives are usually not directly corresponding to urgent societal needs, but have temporary nature and as such have been interpreted as forms of non-systematic giving. An example for an initiative of this kind is the example given by EM13:

“...an awful amount of grants goes to short-term, random, one-off projects. So you might say ‘oh, I am going to give 50,000 dirhams to this school to build the playground; oh, I’m going to give 10,000 dollars to save the turtles campaign; or I’m going to give 50,000 dollars to build school for blind children’ and none of them is aligned, none of them is long term, it’s one-time annual contribution. You cannot actually create a real systematic change when you operate in that manner. You can’t create social value in twelve months.” (EM13)

Money is usually distributed at random basis without alignment with strategic goals or a systematic approach toward their investment. That consequently is reflected in the level of social value that these acts of giving will deliver. What is common between organisations implementing this approach of CSR is the lack of systematic giving, i.e. they are not concentrating their CSR efforts on a particular initiative for long time. This year they might decide to invest in “save the turtles

campaign”, while next year they might “build a school for blind children”. This statement is not aiming to underestimate the value and the nobility behind these acts of giving but to demonstrate the results of the data analysis indicating that by being involved in non-systematic giving, the opportunity of creating long-term positive social impact and shared value decreases significantly and that affects the outcomes of these acts of giving.

On the other hand, we have organisations approaching their CSR commitment and initiatives in a systematic and strategically oriented manner. Allocation of financial resources is strategic, based on corporate objectives and core business competences of the organisation. Commitment is systematic, long-term, guided by a specific plan that requires regular reinvestment of resources and measurement of progress. Organisations approaching CSR from a strategic and systematic perspective are usually the ones that achieve SVC. An example in this regard is OM2 whose organisation is engaged in highly systematic and strategic CSR which efforts result in sustainable business and community impact:

*“Now it’s more about **creating a CSR programme that has certain criteria and guidelines and focus groups**. So at our company we did this structure to inform our CSR policy and develop a programme that targets for different stakeholders, different groups. So the whole idea is not to just give somebody a fish, I’d like to use that metaphor, that I’d like to give somebody a fish but also teach them how to fish, so it’s about capacity building, about reaching the right people and beneficiaries.” (OM2)*

5.4.1.3. Category 1.3 – Interdependence between Sources of Financing CSR and CSR Orientation

As result of the data analysis was constructed a relationship between the type of financial resources used to support the CSR initiatives of the examined organisations and the strategic orientation of their CSR practices. The reverse relationship is also evident and consists of impact of CSR strategic orientation of the companies on the preferred source of financing for CSR.

To the best of my knowledge, non-Middle Eastern companies utilise only one source of generating financial support for their CSR practices and that one is usually allocated as a specific percentage of the companies' annual budget (i.e. conventional source of funds). However, as was identified through the content analysis (Appendices 11, 12 and 13) and supported with the interviews' findings, the Middle Eastern companies utilise money generated through the religious principle of zakat, sadaqah and religious fines as well (Table 5.2) for the purposes of financing their CSR.

Table 5.2: Forms of Religious Sources of Funds Used to Sponsor CSR Initiatives

Religious Source of Funds	Description
Zakat	2.5% of organisation's annual profit (mandatory) and shareholders' and employees' profit (voluntary)
Fines	Fines are money collected from sources or by means not allowed by Shari'ah.
Sadaqah	Sadaqah could be taken from Islamic banks as a penalty for those who do not repay their loans on time.

This additional religious source of financing CSR is one of the unique features of CSR applied in the Middle Eastern region that differentiates it significantly from Western CSR approaches. The quotations from OM18 and OM21 explain this phenomenon:

“Our employees can pay their annual zakat with us. They can donate money, clothes, food. They don't want their names to be known. They give us their zakat and we use it.” (OM18)

and

“Companies use zakat and invest in the same CSR project as we do” (OM21).

I interpreted in my analysis that zakat is actually a way to demonstrate how Muslims people give (Category 1.5) because the philosophy behind zakat – supporting the needy – is deeply embedded in social practices; it is in-built in people’s daily conduct, which consequently reflects their paradigm. That has been articulated through the interview with SA3:

*“Because it’s a Muslim world. Muslims unlike Christians and anyone else, it’s built-in to give a portion of your wealth to charity. It’s called zakat. Christians don’t have this philosophy called zakat or whatever; you want to give – you want to give, you want to feed the poor – you want to feed the poor. **Here it’s in-built.**” (SA3)*

Local people are raised within a strong feeling of responsibility towards community. The principle of intention (niyya) in zakat makes it an approach of supporting people that to the best of my knowledge is not present in other major religion in the world. The visual presentation of the interdependence in Category 1.3 is presented in Figure 5.3.

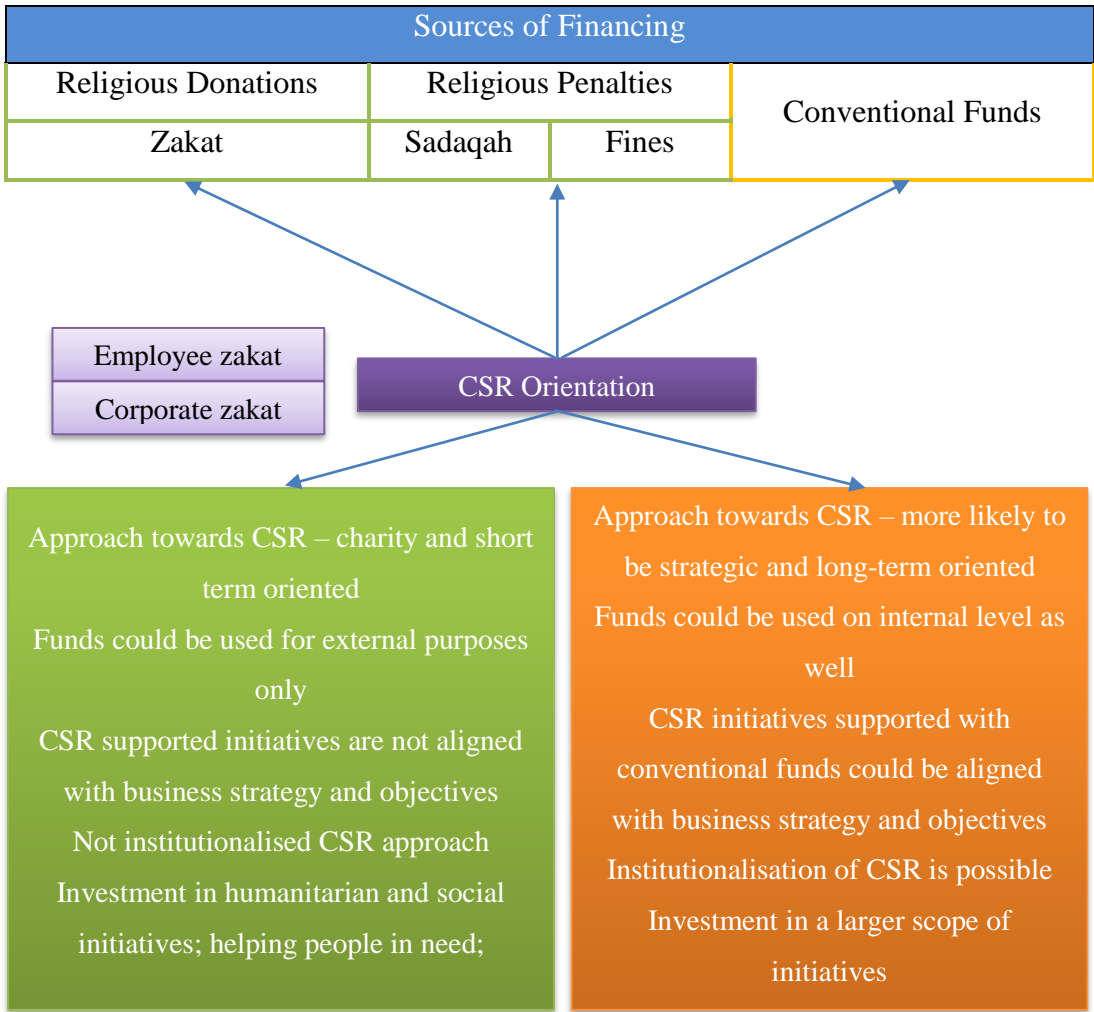
Zakat is usually collected as a personal duty or a corporate tax. The payment of zakat as a corporate tax is mandatory and expected by law in Saudi Arabia only, while zakat is not compulsory in other Middle Eastern countries. However, Islamic Financial Institutions (IFIs) – Shari’ah compliant institutions such as Islamic banks – are expected to make zakat payments regardless of the country of their activity: *“in Islamic banking we actually give a portion of their profits to zakat”* (SA6). In the same time, we have examples of non-IFIs companies, outside of Saudi Arabia that make voluntary zakat payments, although they are not mandatory.

Source of Funds – CSR Orientation

As I interpreted in the data, the philosophical reasoning behind the idea of collecting and giving money to those in need affects the way this money will be allocated. However, as constructed through the data analysis, this influence is not

evident at the individual level only but also affects companies as well when they decide on the CSR initiatives that will be supported through the collected zakat money (Figure 5.3). As such, money collected on the principle of zakat is used to support charity campaigns. Moreover, money collected as result of religious penalties is also used to support CSR initiatives (Figure 5.3). In the study, this money is called ‘fines’. Fines are collected from earnings that have been released from sources or by means prohibited by the Shari’ah law. This money cannot be utilised in the bank but should be considered for disposal to charitable causes as decided by the Shari’ah Board. This is particularly relevant to IFIs.

Figure 5.3: Interdependence between Sources of Financing CSR and CSR Orientation



Source: Author's original work

It should be noted that one of the restrictions on the fines and activities supported with them is that the bank should not get any benefit from this activity, nor is it allowed to publicise the bank name as a sponsor:

*“The Shari’ah Board, made up of scholars, looks after our transactions and they believe that **you are not supposed to make money through interest or illegal transactions.** However, at a certain time they might believe **that there are certain transactions that don’t fall under Shari’ah law.** So what they do is to take all the money we made of that and you have to give it out to the poor. So they give automatically to the society, because it was not income the bank should be taking. This is not good income which is not Shari’ah compliant. So they give it up and we don’t recognise the income. Now yes, they do that, but it’s not advertised and you cannot get it publicized.” (SA9)*

The third source of CSR finances identified in the study is sadaqah (to be differentiated from sadaqah discussed in Chapter 6). Sadaqah represents the amount of money that Islamic banks may take as a penalty (different from interest) from those who do not repay their loans on time. Similarly to the fines money, sadaqah money does not go to the bank but is distributed to the poor and needy. The initiatives supported with the sadaqah money and the bank’s name is not publicised:

“When we have problems with clients who cannot pay their loans on time, we ask them to pay penalties. Because we are an Islamic bank and cannot take interest for the delay, the Shari’ah Board in our bank allowed the bank to take a penalty in such cases. However, these penalties are considered sadaqah and we cannot keep them in the bank so we spent them on social projects but we don’t usually advertise this.” (OM18)

I interpreted through my data analysis that the method applied for collecting money for CSR affects how the money will be spent and that led to the construction of the interdependence between CSR fund and strategic orientation of CSR initiatives (Figure 5.3). Money collected on the religious basis discussed above and used for CSR leads to investment in CSR initiatives that have highly pro-community and charitable orientation. They are not invested in CSR initiatives oriented toward strategic development of business or any initiative that is aiming to ensure economic and marketing sustainability of the organisation. The religious money is not used for strategic corporate initiative or for a CSR focused on employee training, customer satisfaction or branding since zakat's purpose is to provide support to people in need. Thus CSR initiatives financed with zakat collected money (personal zakat, employee zakat, corporate zakat) are only focused on charities and donations. Same refers to money collected through religious penalties. Therefore, CSR practices funded with this form of financial sources are oriented towards supporting people in need in a non-structured manner that is not-related to core business practices.

However, as I interpreted in the data, this practice also affects the way CSR is perceived – when a specific cause is supported with funds that require not-publicising and focus on community needs, the cause will be regarded as a charitable initiative. On the other hand, a conventional CSR budget could be utilised not only for the charitable purposes of the organisation but for its strategic objectives marketing growth and development as well.

Another important aspect of impact on the source of funding and CSR strategic orientation is the screening criteria applied for allocating projects for CSR support. Conventional CSR budgets use screening criteria in order to distribute support. However, as I interpreted, religious money used for CSR is distributed without any screening criteria:

“As I said, when we give to the community, we screen them, we make sure that the money will be used. When it’s zakat, we give it to X number of communities without screening them.” (SA3)

This approach is in accordance with the philosophical foundation of zakat – to support the needy and as such there is no need of planning or strategy. The act of giving takes precedence.

CSR Orientation – Source of Funds

As constructed through the data analysis, when CSR is perceived and conducted in a manner indicating charity and pro-community oriented activity, the organisation tends to rely on forms of funding suggesting similar purposes. OM18’s organisation applies a highly pro-community oriented CSR programme (Appendix 30), and as indicated above, his organisation utilises employees’ zakat donations for initiatives related to community support. Similarly, OM21 conducts a CSR programme that is oriented toward providing community support in the form of donations and charities. As suggested by him, his organisation utilises funds collected on the above-mentioned religious basis. That results in a CSR orientation corresponding to the basis of collecting those funds.

“We engage in a broad range of initiatives, especially during Ramadan when we collect money, clothes, food and we distribute it to those in need. That is part of our CSR.” (OM21)

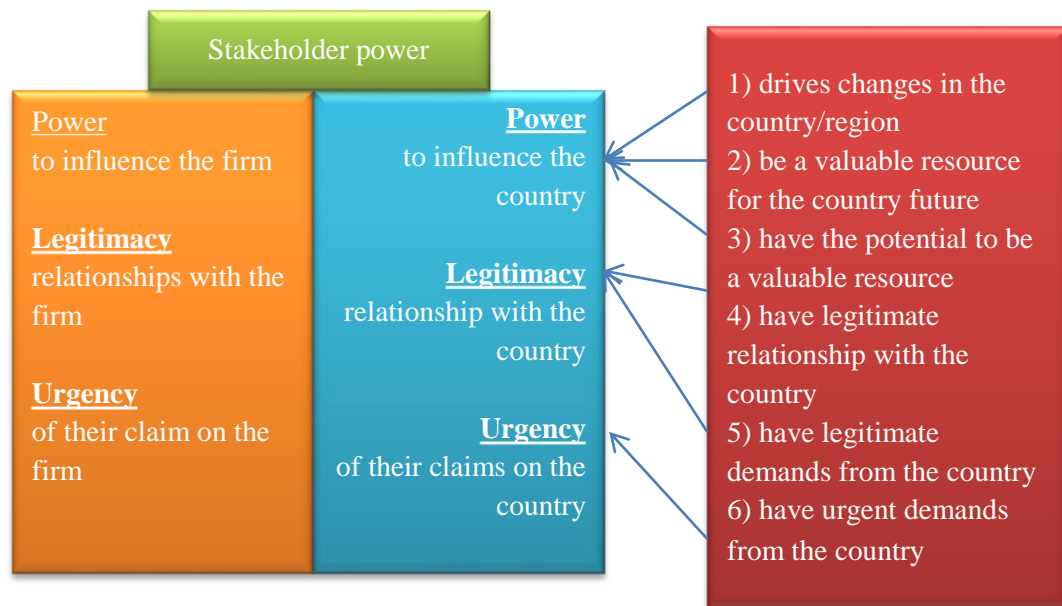
5.4.2. External Level

Relationships constructed at the external level are focused on social factors and external forces that impact on internal organisational CSR related decision-making processes (Category 1.4). External-level relationships also indicate how companies interact on a CSR level with their stakeholders (Category 1.5).

5.4.2.1. Category 1.4 – Institutionalisation of Stakeholder Power

One of the research questions in the study is concerned with stakeholder power and what constitutes stakeholder power. The question also aimed to identify which is the most important stakeholder group as part of CSR practices of local companies and what makes it important. The conventional understanding of stakeholder power demonstrates the ability of a particular group to influence the firm (Mitchell et al., 1997). However, the data analysis suggested that Middle Eastern organisations consider one additional power-related criterion – ability of a specific group to impact on country stability – and by doing so, to exert pressure on organisational stability as well (Figure 5.4). This notion and understanding of ‘stakeholder power’ is a result of the uniqueness of the Middle Eastern socio-economic and political context. Considering that the conventional understanding of ‘stakeholder power’ as introduced by Mitchell et al. (1997) is a product of the Western contextual factors, its incompatibility with the contextual specifications of the Middle Eastern environment is not surprising. Thus, as suggested through the study results, I interpreted a broader notion for ‘stakeholder power’ which is a collective factor comprised by the conventional understanding introduced by Mitchell et al. (1997) and the distinct flavour of the Middle Eastern contextual dynamics discussed in Section 5.4.2.1.1 and presented further through Figure 5.4.

Figure 5.4: Properties of Stakeholder Power in the Middle Eastern Region



Source: Author's original work

Therefore, as constructed through the data analysis, 'stakeholder power' in the Middle East is given to these groups and individuals that have the ability to affect organisational operations along with the ability to:

- 1) Drive changes in the country/region
- 2) Be considered as a valuable resource for the country's future
- 3) Have the potential to be a valuable resource
- 4) Have legitimate relationship with the country
- 5) Have legitimate demands from the country
- 6) Have urgent demands from the country

Covering all these elements gives a group institutionalised power to exert pressure on country and organisational stability. According to the respondents (see Appendix 31) the group of community and more precisely young people possesses all these power-related factors and as such become a centre of the regional CSR activity. The section continues with presentation of contextual factors that lead to development of the six properties of institutionalised stakeholder power.

5.4.2.1.1. Contextual Factors

Based on the interview data analysis, I interpreted that the Middle Eastern companies operate in a complex and unique context driven by exogenous dynamics and particular social factors having their own impact and importance. Moreover, the complexity of the Middle East is catalysed by specific local conditions that contribute to the unique nature of the region, namely political and social (demographic) factors which create a framework having the potential to influence stakeholder institutionalisation and to force socially responsible corporate behaviour in organisations.

Local organisations try to indirectly navigate contextual political and social factors by assessing the needs of those directly affected groups as organisations call this form of engagement CSR. Thus, understanding the contextual factors of the Middle East is important because as it was interpreted in the data analysis, they shape the process of stakeholder institutionalisation. Moreover, organisations form their socially responsible corporate behaviour based on the importance and pressure exerted from contextual factors. As such understanding the context of the Middle East and the forces behind it leads to understanding of the decision-making processes behind the CSR involvement of local companies. Potential undervaluation of their importance may affect negatively the organisation and its economic sustainability. Furthermore, any change in the exogenous contextual dynamics may lead to changes in how stakeholders mobilise, thus indirectly impact on socially responsible corporate behaviour.

Demographic Factors

As interpreted in the data, the group that drives the changes in the Middle East is the group of young people. As discussed above, Middle Eastern companies pay special attention to young people and their needs. That was mentioned by OM1 in a very explicit manner:

“our main stakeholder is youth, but why youth? Because those are the most important and valuable resource that any country has and if you look

*at the current **demographic situation** in Oman, you will see that almost half of the nation are below the age of 30 and probably 75% are below the age of 40 and this is a **huge in fact potential for the nation.**” (OM1)*

Having 75% of the population under the age of 40 represents significant potential and opportunities for economic and social growth for the country. However, it also has to be highlighted that a powerful group with a similar size requires a careful examination of their needs as citizens for their intellectual and social development. Lack of interest or engagement on behalf of the state in this regard might result in negative consequences for young people and for the state itself. If not provided with opportunities for their professional, social and intellectual development, the country might have to deal with a significant group of illiterate or low-qualified people representing 75% of the total population. From a macro perspective that will result in an unstable economic situation for the state, semi or low developed human capital and low-qualified workers for local business from a micro perspective.

On the other hand, 75% of population below the age of 40 represent a significant group of individuals that if not employed or engaged in a private business activity, represent an enormous segment that depends on external support. If not received from the family, this support will be expected and required from the state.

Social Factors

Being prominent with its significant economic, political and social turbulences, the Middle Eastern region is home to some of the wealthiest people and richest countries in natural resources in the world but is also struggling with high imbalance in income distribution, extreme insecurity and human rights violations. As such, the social context is quite diverse and cannot be generalised, however as interpreted in the data, there are some common features shared by the examined countries that support their consideration for Category 1.4.

As discussed above, the regional population is mainly composed of young people that represent significant potential but also require institutional support and investment in their development. Local organisations respond by investing in educational initiatives as part of their CSR, as stated by SA2:

“There are needs out there in different communities, you know, related to youth and education and we are working and growing in an emerging market location, so education is really a big deal. Because these societies are struggling under a burden and we want to make sure that all young people are well educated so they can become fully employed. This is an issue for us. It’s an issue for our employees. And we think that’s the right thing to do. That’s why we have this as one of our priorities.” (SA2)

As a result of weak educational development, Middle Eastern countries depend heavily on external intellectual capital and foreign specialists. Local governments are trying to change that as they invest in educational and entrepreneurial programmes for young people. Consequently, governmental vision and objectives transform in CSR campaigns for local organisations and become organisational CSR priorities (see Appendix 27). That point is clearly stated by OM9:

“we have a number of initiatives which really support the community, for example building the capability and capacity of the youth with the Ministry of Education, Ministry of Health, and Ministry of Agriculture. The education, health and the community in general, those are the main three.” (OM9)

As interpreted in the data, that results in socio-cultural contextual dynamics that contribute to the institutionalisation of stakeholder power of community.

Political Factors

Lack of opportunities for growth, development, education, and imbalance in income distribution were among the main reasons for the Arab Spring riots

outbreak. Currently, local governments alone or in cooperation with business provide opportunities for education, entrepreneurship development and development of human capital in order to prevent similar unrest. Business calls this support CSR (see Appendix 27). The ability of the group of young people to drive these changes at country and organisational levels represents their institutionalised power.

The stability of the political context is maintained through investment in community development. In order to maintain this development, local governments conduct employability programmes known as Emiratisation, Saudisation and Omanisation that aim to influence positively the high rates of unemployment in the region. These programmes provide free training and internships for nationals. As part of these programs, local businesses are legally required to have a specific percentage of nationals employed in them.

Local companies have a particularly important role for the implementation of these programmes. A significant number of local companies is owned by the government and as such, organisational CSR initiatives are influenced to a great extent by governmental objectives, as stated by OM1:

*“Many companies in Oman are investing **because, you know they are partners with the government.** We work for a better future for the country. We are at the end of the day one of the investing branches for the government, so **it’s really important to align ourselves with the ultimate objective of the government** and that is of course investing back in the future of the nation and that’s why **we are working in accordance with the government’s objectives in this regard.**” (OM1)*

Moreover, local governments have developed and introduced country and community development programmes known as Oman 2020, UAE 2020 and Saudi Arabia 2020 that also turn into sources of organisational CSR initiatives. As interpreted in the data, this demonstrates the institutionalised power of community

where their impact on governmental decisions affects indirectly organisational operations as stated by OM4:

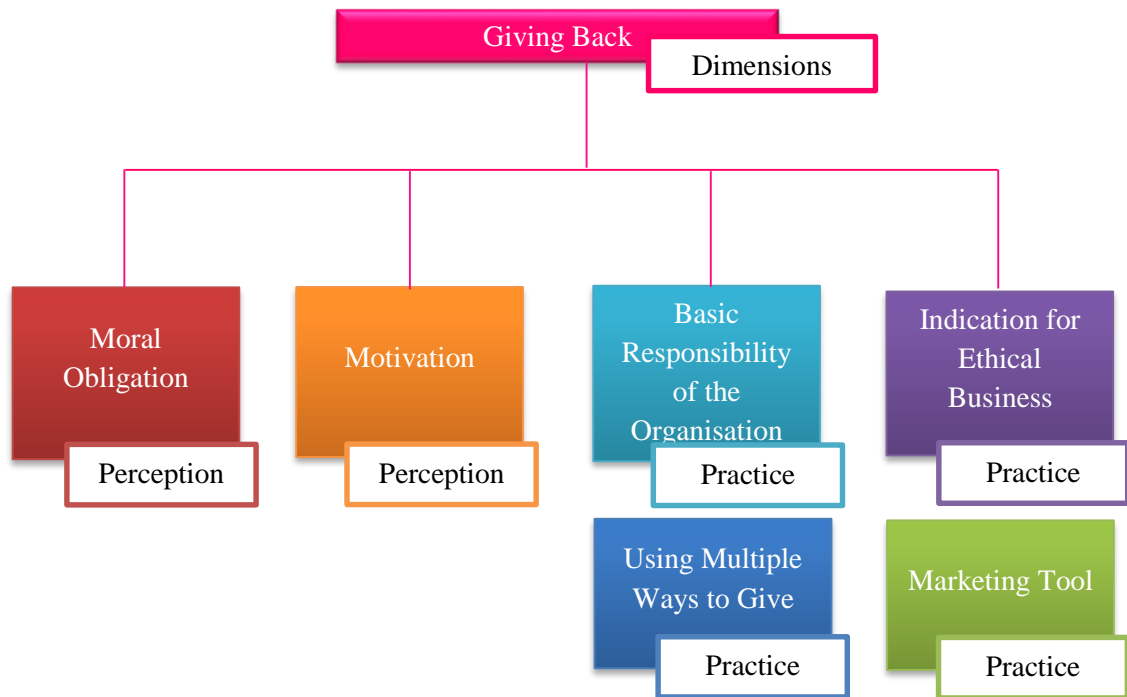
“Because youth in Oman now they are driving all the changes in the country. And I think that applies not only to Oman but it applies to most of the Arab countries. So if you get your social licence to operate from youth, then you have a very sustainable business in Oman.” (OM4)

Consistent with the CSR/business literature, respondents perceive as stakeholders those groups or individuals who can affect organisational practices (Freeman, 1984) from which they create concerns and expectations of how companies should conduct business. As demonstrated above, respondents explain that is important to address stakeholder expectations. However, from the statements of the respondents, I interpreted that stakeholder power consists of the ability of a group to affect country and organisational stability. Acknowledging and then responding to stakeholder expectations become a difficult, but necessary balancing act for companies.

5.4.2.2. Category 1.5 - Dimensions of ‘Giving Back’

The data analysis suggested that local, business is in a continuous process of interaction and interdependences with external actors – community – that have the power to influence and impact on internal organisational processes and country stability (Category 1.4). as result of that business is expected to behave in a way that would respond to external actors’ expectations and requirements. This is usually performed by engaging in various forms of giving (Category 1.5) that would benefit the community and can be expressed in different ways of providing value – giving of material (e.g. monetary aid) or non-material support (e.g. knowledge, expertise, proficiency in the field). When engaged in forms of ‘giving’ the acts of giving can be used to create an image of good corporate citizenship that if institutionalised appropriately can lead to generation of sustainable results for the organisation and community (shared value).

Figure 5.5: Dimensions of ‘Giving Back’



Source: Author’s original work

Fifty-three out of sixty-three respondents answered that they perceive CSR as ‘giving back’ (Figure 5.5). Thus, I presumed that if the majority of respondents use the same expression to indicate their attitude towards this specific construct, probably it required more attention. As consequently interpreted in the data analysis, ‘Giving back’ indicates how Middle Eastern private, governmental and social sectors perceive CSR and how business approaches its social commitment. As result, very often, ‘Giving back’ is used as equal to CSR:

*“I believe social responsibility means that company **should give back to society.**” (OM2)*

‘Giving back’ is a multidimensional category composed of two main segments – perceptions and practice of ‘giving’ (Figure 5.5). ‘Giving’ is perceived as an *obligation* and business is expected to ‘give back’. ‘Giving’ is considered as an

organisational responsibility where business is obliged to respond to societal needs. The experience of SA3 with CSR in a time of financial crisis demonstrates this point:

“For five years in a row, my bank was not profitable. Five years! [But] This [CSR] is irrespective of whether you make money or you don’t make money. It still needs to go out in the people in our community who needs it. Just because we are making losses, it doesn’t mean that the community has stopped needing our money”. (SA3)

The act of ‘giving’ occurs voluntarily – no legislation or regulation is required for an organisation to give to society. That to certain extent could explain why the Middle Eastern countries do not have CSR legislation to regulate their initiatives - ‘Giving’ is embedded in the values and traditions of local people, to a point where respondents consider it as *“part of their DNA”* (OM9). Similarly, ‘giving back’ plays the role of motivator for respondents to become involved in CSR.

The meaning of the word ‘give’ demonstrates the altruism embedded in the organisational approach to CSR. Despite the variances identified in the data for engagement of business with ‘giving’, the final beneficiary is always community. The exact form of social ‘giving’, what ‘giving back’ *means* to the organisation and *how* ‘giving’ will be performed shapes the strategic and systematic approach towards CSR as presented in the following examples:

“Giving back to community means giving donations and charitable contributions away” (SA3 – applying expanded CSR)

“So the whole idea is not to just give somebody a fish, I’d like to use that metaphor, that I’d like to give somebody a fish but also teach them how fish, so it’s about capacity building, about reaching the right people and beneficiaries and teaching them how to help themselves.” (OM2 – applying integrated CSR)

The fishing metaphor, as interpreted in the data is a metaphoric expression of the respondents' attitude towards 'giving'. Some of them prefer to 'give' community a fish (charity-oriented /expanded CSR) while others prefer to teach them how to fish (semi-/integrated CSR). The specific manner of 'giving' is conducted through the CSR approaches presented in Categories 1.6, 1.7, 1.8 and 1.9.

5.4.3. Internal Level

Relationships identified at the internal organisational level are a result of the interaction and interdependencies between Categories presented above that set the foundation for execution of CSR and external forces that shape the CSR agenda, impact on institutionalisation of stakeholders and influence how the organisation would engage with stakeholders. The product of these factors are the four approaches of conducting CSR – the Categories 1.6, 1.7, 1.8 and 1.9. Whether an organisation would base its CSR commitment on one CSR approach or another is affected by the factors discussed in previous Categories. Appendix 34 outlines the differences between the four CSR models. Appendix 35 tabulates the CSR models implemented by the organisations as interpreted in the data analysis.

5.4.3.1. Category 1.6 – Charity-Oriented Approach to CSR

This section presents a specific approach of practising CSR that to the best of my knowledge is evident in the Middle Eastern region only. The Category properties are summarised in Table 5.3 and explained here. Appendix 45 presents a case study for a company that implements charity-based CSR based on a real business case of one of the sample companies. The case study enables the reader to understand the practical insights of conducting charity-based CSR.

Table 5.3: Charity-Oriented Approach to CSR – Summary

Property	Practical Dimension
Stakeholder	Primary focus - community Other stakeholder groups are not considered Initiatives focused on providing financial help and food supplies during religious and national celebrations, volunteering and cleaning of environment
Operation	External focus Absence of institutionalisation, systematic or strategic approach CSR is not aligned with core business Occasional or short term involvement
Outcome	Lack of ability to deliver strategic or social value

Category 1.6 presents factors composing the CSR involvement in the Middle East that is characterised with a highly altruistic and pro-community oriented approach of social engagement. Charity-oriented CSR is observable in all three countries of examination – Oman, Saudi Arabia and the Emirates, and in all for-profit entities regardless of their size.

Stakeholder Group of Importance

The respondents supporting and implementing charity-oriented forms of CSR are unanimous that the CSR practices of business should be developed and organised around community needs regardless of the essence of these community needs. Community is the primary and only stakeholder group of consideration as other stakeholder groups are not considered subjects of CSR interest. The reason for that can be found in the general belief and perception of respondents implementing charity-oriented CSR. Respondents believe that business cannot ignore societal demands and must respond to their needs even if they are not aligned with the core business of the companies, as can be seen in the statement made by SA11:

“If the priority of the society, per example, is to help orphans and the company doesn’t have anything to do with orphans, would it go ahead and support the orphans or not? In my view yes, they should, because this is the priority of the community, or the society, so they have to implement something related to the priority of [society].” (SA11)

Operation of CSR

CSR has an external focus and is not aligned with the strategic development of business. This is in reliance with the general view of CSR held by respondents. Moreover, CSR is *not* perceived as a business operation and is not regarded as a source of economic stability for business. Being profitable or ensuring economic survival of a business is the responsibility of organisational operations, as CSR is not regarded as linked and related directly or indirectly to them, as stated by EM10:

“Economic sustainability of the company comes from the operations, from the business. It has nothing to do with corporate social responsibility. These are two separate things.” (EM10)

Charity-based CSR is operated mainly in a non-institutionalised manner. This is in line with the perceptions participants have of CSR. Here we have strong impact of niyya – Category 1.11, as stated by EM11:

“But that CSR is not out, it’s not published, none knows about it and now this is the challenge with the organisation – this is not published so the public would know.” (EM11)

Religious funds are widely applied. Consequently, that impacts on the strategic orientation and focus of CSR as discussed in Category 1.3.

Outcome of CSR

Analysis of results showed that organisations involved in CSR are driven by a desire to make a social contribution and respondents do not relate CSR to strategic corporate purposes. Organisations do not advertise their CSR initiatives and the general public is not aware of their contribution as stated by SA13:

“Because as I just said, we don’t expect anything back in return. Because honestly, we can stop it today, nobody will know about it. We’ll just stop giving money to the community.” (SA13)

Ergo, CSR is perceived as an instrument to demonstrate organisational commitment to society. In the same time, companies involved in charity-based CSR differentiate social initiatives from strategic corporate objectives, as stated by OM6:

“So this is something we don’t advertise and I can’t give you the number. The CSR is not a PR or Marketing. It is a real investment to the development of the society.” (OM6)

To sum up, charity-based CSR is conducted in a non-institutionalised and non-systematic manner. Regardless of organisational attempts to make social contribution, organisations involving in charity-based CSR implement heterogeneous, occasional or short-term initiatives that are unlikely to deliver long-term social value or make a sustainable positive impact (Category 1.2). Being involved in CSR is considered as providing response to a specific social need that occurs in constrained time and space settings (e.g. Ramadan, national holidays, feeding the poor). When the organisation is responding to this need, the positive impact of their involvement will last only within the frame of these particular settings and would not necessarily be a subject of value creation afterwards.

5.4.3.2. Category 1.7 - Expanded CSR

Expanded approach to CSR shares similarities with charity-based method of operating with CSR. These similarities are related to organisational stakeholder focus which is community, and the perceptions hold by organisations for their CSR commitment which is regarded as a form of community support that is not aligned with business operations. Thus, CSR is a practice with externally focused objectives concerned about specific external stakeholder needs as presented through the SA12's comment:

*“When we talk nowadays either in Saudi Arabia or in other countries, **when we say CSR, the first thing their mind-set will think of will be the importance of the company to support the community.** Rarely will you find someone who will say ‘yes, but what will you do for the employees or the customers?’ I mean, you will find but rarely.” (SA12)*

Table 5.4 summarises the characteristics of expanded CSR approach. Appendix 46 provides a case study for implementation of expanded CSR approach.

Table 5.4: Expanded Approach to CSR – Summary

Property	Practical Dimension
Stakeholder	Primary focus - Community Other stakeholder groups are not considered Initiatives focused on providing financial help and food supplies during religious and national celebrations, volunteering and cleaning of environment; building of schools, hospitals, educational initiatives.
Operation	External focus Semi-institutionalised, systematic – external assessment, no strategic approach CSR is not aligned with core business Singular to long- term involvement
Outcome	Lack of ability to deliver strategic or social value

Stakeholder group of importance

Organisations implementing an expanded form of CSR give prevalence to community needs and support. ‘Giving’ here is considered as a moral duty of business and as an indicator of ethical business (Category 1.5).

Organisations implementing expanded CSR have a broader scope of community involvement compared to charity-oriented CSR and support activities related to building of schools, hospitals and centres for community development. Companies support heavily educational initiatives, provide support for students to continue their education abroad and develop sponsorship programmes. These initiatives are not based on business competences and expertise but are designed around community needs, i.e. on external factors. Business is expected to provide a response to community demands regardless of their relevance to business operations and competences. The sense of duty and obligation taken is highlighted by SA9:

“Because someone asked ‘this is not related to our business; why should I go?’ I would say ‘but it is related to the development of your society’”
(SA9).

Operation

Expanded CSR is characterised by a semi-institutionalised form of approaching CSR operations exercised through the corporate communications, PR or marketing departments. However, the basic aim of these departments is not directly related to CSR and they execute functions related to their primary objectives. That might impact on the direction of organisational CSR engagement (Category 1.1). Strategic approach to CSR is not evident, since CSR is community-focused and is not considered as part of strategic operations of business. Organisations could operate with specifically developed CSR budgets although that is not completely necessarily. Organisations could operate with specifically developed CSR budgets or with religious funds.

Outcome

Expanded CSR approach could make significant social impact depending on the nature of the initiative that will be applied and the desire for CSR commitment. Accordingly, initiatives limited within the constraints of a particular need could have impact only within these specific settings (religious and national celebrations, volunteering in home for elderly people and orphanages) and will exert positive social impact limited within the boundaries of the need and the recipient of the help. CSR responses based on social needs that have the characteristics to exert long-term impact over community development will result in long-term positive social impact (e.g. a need from education when fulfilled will result in qualified employees, tax payers and profitable companies). That demonstrates the social value and positive impact that can be delivered through an expanded CSR approach. As mentioned above, the nature and level of corporate commitment affects the impact that will be delivered (Category 1.2).

5.4.3.3. Category 1.8 – Semi-Integrated CSR

Semi-integrated CSR is a non-strategic approach that is highly institutionalised and focused on various stakeholder groups. The primary focus is still on community, but business recognises the importance of other stakeholders, such as employees, environment and government as part of CSR. A case-study for semi-integrated CSR implementation is presented in Appendix 47. Table 5.5 summarises the main characteristics of the approach.

Stakeholder groups of importance

As result of the data analysis, I interpreted that the organisations that implement this form of CSR develop and implement CSR practise that would contribute to sustainable societal development of local communities. Although donations are still widely practised, organisations have a broader CSR scope, as discussed by OM16:

“our ultimate goal is to build the capacity of local community through training programmes, through creating job opportunities, empowering women, supporting local NGOs, school students.” (OM16).

Table 5.5: Semi-Integrated CSR – Summary

Property	Practical Dimension
Stakeholder	<p>Primary focus - community</p> <p>Secondary focus – employees, governments, NGOs, environment</p> <p>Long-term commitment and dedication to various stakeholder-inspired based CSR initiatives</p>
Operation	<p>Highly institutionalised</p> <p>CSR is not aligned with core business</p> <p>Long-term commitment</p>
Outcome	Positive social impact and strategic corporate value

Operation

Semi-integrated CSR is practised by companies that develop and implement highly institutionalised CSR initiatives but do not base their CSR commitment on business strategy and core competences. Examples here could be telecommunication companies building mobile clinics for animals in remote areas (OM9), campaigns launched by banking and financial institutions for saving turtles (EM13), building hospitals and schools by oil and petroleum companies (OM16) and so on. Budgeting can be composed of conventional or religious funds.

Outcome

None of the organisations that implement this form of CSR stated directly that they are involved in CSR in order to increase the return of their investment. However, they appreciate the fact that by working with CSR their marketing position, brand and corporate image improve and that consequently reflects on the company’s profitability and stability, as stated by OM18:

“we have to give back to the community. That’s affecting your reputation on the market, so giving back is really helping us to build a positive image on the market. In our marketing department we release a lot of things including CSR, but the only thing that the people will remember is the CSR. This is very important.” (OM18)

This statement differs from the implementation factor in charity-based and expanded approaches to CSR where companies do not see economic elements in CSR. Semi-integrated CSR requires long-term commitment that ensures positive social impact and that consequently may lead to value creation for the company as well.

5.4.3.4. Category 1.9 - Integrated CSR

The integrated approach to CSR (Table 5.6) indicates systematic and strategic conduct of CSR. The main divergence between this approach and the previously mentioned three is that companies integrate CSR in their business model and CSR is conducted in a strategic manner. Moreover, CSR commitment is based on business core competences and operations. A case study on Integrated CSR is provided in Appendix 48.

Table 5.6: Integrated Approach to CSR – Summary

Property	Practical Dimension
Stakeholder	Primary focus - community Secondary focus – employees, shareholders, customers, suppliers, governments, NGOs, environment Long-term commitment and dedication to various stakeholder-inspired and core-business-based CSR initiatives
Operation	External and internal focus Highly institutionalised CSR is aligned with core business Long-term commitment
Outcome	Positive social impact and strategic corporate value

Stakeholder Groups of Importance

The widely used metaphor by the respondents “*We are not giving somebody a fish but we are teaching them how to fish*” demonstrates the nature of integrated CSR approach – there is an attempt for approaching CSR in a constructive and sustainable way. Community is still the primary recipient of organisational CSR activity, but community needs are approached in a strategic manner aligned with business operations.

CSR encompasses a broader scope of stakeholders such as suppliers, governments, customers and NGOs. Companies are dedicated to maintaining ethical relationships with stakeholders and implement CSR initiatives related to support and cooperation in various projects, production of high quality products/services, on-time payment, etc. NGOs partner with organisations on various social projects which again highlights the primary importance of community even in more strategic forms of CSR.

Operation

Organisations approach CSR commitment in a highly-institutionalised manner as CSR is operated through a dedicated department composed of an executive team and officers. Companies engage in homogenous socially responsible practices by sharing expertise, knowledge and guidance to external stakeholders as part of their CSR activity. They support small businesses by providing preferential loans and consultancy (banks), by supporting areas affected by natural disasters with free shipping of supplies (logistics), by giving free training to entrepreneurs or young people who cannot afford academic education (educational organisations). Organisations have knowledge and proficiency in a particular area and ‘give’ by sharing their knowledge and expertise.

Outcome

I interpreted through the data analysis, that organisations implementing integrated CSR are the ones that have the capability to exert significantly stronger and long-lasting positive social impact compared with the other three CSR approaches discussed above. Their long-term strategic and systematic commitment to CSR ensures careful assessment and design of initiatives based on business core competences and strategic approach to community needs. Integrated CSR has internal and external organisational focuses. The primary reason for involvement in CSR is creation of social value, but we could also observe strong attempts to achieve corporate value as well. Companies usually align CSR with business strategy and that predisposes to direct marketing and economic benefits for the organisation.

5.4.3.5. Summary of the Four CSR Models

As presented in Appendix 35, I interpreted that a prevailing part of the organisations are involved in community-related, non-strategic initiatives. CSR is conducted in a relatively well-institutionalised manner (Appendix 28) although the majority of the companies (39) implement non/semi-institutionalised CSR. The prevailing part of the companies implement non-strategic CSR initiatives

with a primary focus on providing material or non-material responses on stakeholder needs not aligned with core business competences and operations.

5.4.4. Impact of Islam

The last two constructs of the substantive theory were developed as impacting on charity-oriented CSR mode only. They do not have impact on the other three modes.

5.4.4.1. Category 1.10 – Family-Owned Enterprises

Family-owned enterprises were interpreted as making contributions primarily to community-related initiatives. I identified that family-owned enterprises approach CSR in a distinct manner (Appendix 36) that could be presented with the following quotation from the interview with OM4 – a sustainability director in one of the largest family-owned businesses in Oman: *“This is among the family and corporate value [...] So these are among the drivers within the corporation that drive us to be socially responsible.”* (OM4)

The activities of this organisation range from energy and construction to manufacturing and financial services. According to OM4, family values impact significantly on the corporate culture in his organisation. Impact of religion was also interpreted as contributing to the altruism in organisational CSR activity. The act of giving in the family-owned enterprises was suggested as closely aligned with the philosophy behind zakat, as stated by EM2 and OM17:

“I think, because I have this discussion before and I think probably there is that sense of responsibility by people and by organisations, especially if you’ve got privately owned enterprises that are family owned. There is that sense of incentives zakat. So I think in terms of organisations’ giving there isn’t an issue around it.” (EM2)

“Company X are heavy believers. They literally spend tens of millions of rials on different initiatives in Oman. Every Friday after the prayer they give fresh food to each house, some cash on a weekly basis, building houses, sending people to study abroad, sending people on hajj”. (OM17)

The combination of family and religious values identified in family-owned enterprises leads to an organisational culture predisposed to altruism. Additionally, this impact was interpreted as exerting pressure on the accounting and measurement of CSR. Family-owned enterprises do not account/report their CSR. This can be explained with the religious requirement for niyya (intention), as identified in a number of interviews and stated by OM15:

“Some of the large companies like ours do not set themselves with metrics. If you go on our website you will find a description on what our CSR is, but that’s it – we don’t disclose any other information or financial data.” (OM15)

5.4.4.2. Category 1.11 – Impact of Niyya on Accounting and Reporting of CSR

The Islamic postulate for intention (niyya) states that one’s deeds will be recognised by God only if performed with a clear intention. This principle was interpreted as having significant influence on the accounting and reporting practices of the examined organisations. The data analysis suggested that a significant part of the examined companies do not engage in accounting/reporting of their CSR practices. Differences here range from companies that do not report and do not announce any of their CSR practices, to organisations that do mention that they take part in particular forms of social engagement but the amount or source of finances for the practices are not publicised. Lack of reporting on CSR occurs irrespective of organisational size or sector of activity.

However, I also have to clarify that this phenomenon was identified in companies applying charity-oriented CSR approach only (Category 1.8). the data analysis

suggested I identified that discussions of money, sources of money or pursuing profit out of CSR initiatives is not desirable and is rather considered disrespectful.

*“companies still believe that when you work in the social space **you shouldn’t be talking about value, value is a bad word, commercial word**”.*

Middle Eastern organisations spend significant resources on social projects but they would rather not publicise this information. The participants in my interviews believe that any attempt to announce the amount of resources invested in CSR or benefit themselves (or the organisations) by publicising this information would downgrade the value of the act of giving, as stated by EM9:

“we can’t measure it, we can’t really say ‘this is what we do’, we can’t put metrics on it”

and OM23:

“Getting the organisations to articulate the boundaries of the CSR initiatives and the metrics associated is a really foreign concept. It’s almost I think the perception is ‘bad’, because we don’t do it. Creating metrics is a bad thing. The perception is you just do this and you do it no matter what.”

These three quotations suggest the influence of niyya on accounting/reporting practices in organisational CSR activities and demonstrate that organisations avoid publicising CSR information in order to *protect the value* of their acts of ‘giving’. This influence sheds more clarity on the altruism identified in the examined organisations’ CSR activity and explains to a good extent the lack of direct pursuit of marketing or financial benefits from organisational CSR commitment.

5.4.5. Core Category One (CC1) – Operation of CSR

This section summarises the relationships between the Categories and their relation to the Core Category as outlined in Appendix 38. Commitment to CSR is usually initiated with a specific idea on what exactly CSR means for the organisation and how this commitment will be executed (Category 1.1). As result of this step, the organisation decides *how* these efforts will be managed (Category 1.1). That decision shapes the outcome of organisational CSR commitment (Category 1.2). The process of funding here was also interpreted as important since it influences organisational CSR orientation (Category 1.3) and exert pressure on organisational engagement in ‘giving’ (Category 1.5). The recipient of organisational CSR efforts is primarily community as result of contextual stimuli that lead to the institutionalisation of this group (Category 1.4). Organisations interact with community and other stakeholder groups by implementing four approaches to CSR (Categories 1.6, 1.7, 1.8 and 1.9). Islam exerts impact by constraining publicising CSR information (Category 1.11) and by predisposing to high altruism. This impact is particularly evident in family-owned enterprises (Category 1.10).

5.5. Additional Results

This section provides further interpretation of the results from the data analysis. They aim to shed more clarity on the phenomenon under study.

5.5.1. Social Context

Based on the respondents’ comments, I interpreted that the Middle Eastern companies operate in a complex and a unique social context containing multiple layers of particular factors having their own impact and importance for the examined phenomenon. Moreover, complexity of the Middle East is catalysed by specific local conditions that contribute to the unique nature of the region. Taken into consideration, the Middle Eastern social context and accompanying local specifications create a framework in which local business has to conduct its operations. As interpreted in the data, this framework has the potential to

influence the actions and behaviours of local companies. Based on the respondents' comments, it appears that they try to navigate these forces by assessing those with the most potential to impact on their business operations – positively or negatively. The conditions within this context seem to have a driving role for local companies in their continuous efforts for CSR development and improvement. Understanding the social context is important because, as interpreted in the data analysis, it seems that respondents form their social engagement on the basis of it. As such, understanding the social context of the Middle East and the forces behind it leads to understanding the decision-making processes behind the CSR involvement of local companies.

Based on the data analysis, I identified a variety of actors commonly referred to as stakeholders and accompanying driving forces that constitute the social context of conducting CSR in the Middle East. The social context and its comprising components affect the companies' decision-making process and as such local business has to acknowledge them. Any eventual undervaluation of their importance may affect negatively the organisation.

Government

Government play a particular role for the existence and development of CSR in the Middle Eastern region (as concluded through the sorting of category “Relationship between government and CSR orientation”, Appendix 27). Local governments have a very powerful position not only as a stakeholder but as a holder of official state power and source of CSR initiatives. The Sultanate of Oman, the UAE and the Kingdom of Saudi Arabia are absolute monarchies governed by Islamic law. Secularism as an indication of separation of public life and civil/government matters from religious teaching and commandments is not present. Religion, public sphere and government life are interlinked and interdependent in the examined context. As I interpreted, the combination of lack of secularism, Shari'ah law and presence of absolute monarchy gives these three states unrestricted power and influence over internal state, business and public affairs.

Usually local governments are the major player in business regardless of the industry of activity as they are expected to develop, monitor and enforce regulations and control over business and state. CSR as a business practice is not an exception. As interpreted in my analysis, CSR is a practice that has been introduced into the local market due to two factors – governmental influence and foreign companies. The latter is considered as a main provider of intellectual and technological capital, innovative ideas and practices in developing countries. The Middle Eastern region is not an exception and has also been affected by the demonstration of CSR-inspired practices of MNCs. However, the surprising fact here was the scope of influence and power local governments have over the CSR activity in the region, as interpreted in the data analysis.

As discussed above, one of the very important reasons for existence of CSR as an initiative in the region is political pressure. CSR as an ideological equivalent of the idea of supporting the needy (zakat) has been part of local social practices for centuries. However, institutionalising and giving a particular shape to the desire to provide societal support is a relatively new phenomenon that has existed in the local market for around a decade and was labelled CSR. The interest in CSR has increased significantly post-Arab Spring. Income inequalities and social imbalance became reasons for the start of the Arab Spring in the past and the reason why currently these particular issues and their solutions can be identified in every Middle Eastern company's CSR agenda. The role and impact of the Arab Spring for CSR development was emphasised in a number of interviews, such as the ones conducted with OM17 and SA1:

*“I think in the last few years is more about employability. **In 2010 we had the Arab Spring and that affected companies to focus more on job creation, because that was one of the main reasons for the Arab Spring.**”*
(OM17)

and

*“In the Middle East I think they start now they start to think about the social perspective, or social issue, when they are doing business. **And I think that Arab Spring has an effect or factor that people now think differently about business.**” (SA1)*

As interpreted, the primary objective of local governments is to maintain country stability and avoid emergence of the factors that led to the outbreak of the Arab Spring. Their attempt affect local businesses as organisation may involve in CSR that is not directly related to their vision and objectives but to the vision and objectives of the government. Moreover, I interpreted that the instability of local authorities and governments as main provider of societal goods to respond to societal demands reflects in increased expectations of local business and involvement in CSR practices. Thus, business is expected to respond and take an active role in supporting local government in its efforts to maintain social balance and equality. As interpreted in the data analysis, this impacts on the initiatives and approach that a company would apply in order to support local community. Therefore, the importance of local governments for the CSR activity in the region can be summarised in the following manner:

1) Involvement in CSR is highly politically reasoned:

*“Governments here [...] do a lot about what the organisations’ responsibility is to give back you know to the society. **So I think that sometimes it might be this misunderstanding coming because of what the government said as well so...**” and **“I think there is definitely that influence and I think that’s coming also from the government that we are having that responsibility as an organisation ”** (EM2)*

2) Government have impact on what will be developed as a CSR initiative.

“One year the crown prince initiated something around and I said ‘you know, I don’t think we need to do this, because we’re doing we are focusing on this and focusing on that’ and it went through the board and they said

‘no we have to’. I think that’s political. In this part of the world there’s definitely political influence” (EM2)

- 3) Weak governmental and institutional presence leads to different role of business and impacts on CSR orientation:

“So there is, you know, a lot of charitable staff, especially in areas where they are not necessarily huge national budgets, such as the special needs schools and all of these things. A lot of organisations, what they do now is very much more about social sponsorship and things like that, to give money to those sorts of things” (EM2)

Non-Governmental Organisations

Local NGOs are an important component of the Middle Eastern social context. Being among the stakeholders that benefit the most from the CSR related activity in the region, NGOs also represent a significant component in the CSR decision-making processes. They are not-for-profit groups that usually have a more indirect stake (e.g. social groups) than a direct stake (e.g. clients, groups or representatives of a particular industry). They work at an external organisational level and are not connected directly with local companies. Correspondingly, local companies have no power over the internal decision-making processes in the NGOs. The interaction between private sector and NGOs is limited to provision of financial support on behalf of a particular economic entity that is willing to support a social project developed by not-for-profit entity.

NGOs are exclusively focused on community only. They aim to contribute to the growth and development of local community by developing social and educational programmes focused on enhancing opportunities for youth (reasons are explained in Category 1.4). Their initiatives range from training and education, sport and entertainment programmes to volunteering in cleaning campaigns and social events. Governments provide significant support to the

NGOs and their projects, but additional help that comes from the private sector is expected as well. As OM18 said:

“Here’s some contribution from the government but at the end of the day in Oman we have 120 associations that get contributions from the government, but they are depending a lot on the private sector.”

OM10’s NGO is composed of fourteen young people that aim to give knowledge and free training to the local community. He decided to establish an NGO after he had identified that the majority of local not-for-profit organisations are involved in giving charity and supplies to people in need. According to him, this could be disadvantageous because it creates dependence of the receiver on the giver. Similarly, OM12 and OM17 are the CEOs of two other Omani NGOs that are also focused on providing training and education for young people. Both rely on help from local oil and gas companies that sponsor their community programmes. As suggested by the respondents, NGOs are an inseparable component of the private sector’s CSR activity and an active partner in their community inspired initiatives.

Community

Community is the primary beneficiary of the local companies’ CSR efforts regardless of the approach an organisation would undertake in its CSR initiatives. Communities in developing countries have specific needs that differ from the needs of communities in developed countries. As result, that shapes local social context and affects the decision-making processes at an internal organisational level that will impact on the stakeholder response of the company to the particular social need.

Similarly to other communities in developing regions, Middle Eastern societies share a social context accompanied by specific factors that shape the decision-making CSR processes in the region. Dynamics in the political and social environment in the Middle East create the foundation upon which local community might experience lack of protection and security. Local wars, conflicts

and riots lead to an unstable regional environment and circumstances for increased social injustice and suppression. Local business realises the potential security threat for local citizens and develops a CSR response that would minimise any potential risk. Refugees, human trafficking and human rights protection attract corporate attention and become part of organisational CSR efforts:

“So we’ve been working on this programme for about five years and we developed specific policies to reduce it and you know, to prevent human trafficking. So, it’s a big risk in some of regions in world we particularly operate, particularly here in the Gulf region. So we try to really, really focus those policies and our programme management in this region here against some of the risk that encounter.” (EM16)

Women’s rights and women’s protection are issues stereotypically associated with Arab countries. The content analysis identified that local companies are paying significant attention and efforts to women’s empowerment, gender issues and encouragement of women to undertake executive positions in firms. However, when one looks at the list of board members or executives included in every corporate report, one would identify that this is not exactly representing internal corporate reality. Moreover, my interviews were conducted with executive directors or CEOs only, but only four out of sixty-three respondents in this study were women, which demonstrates their weak presence at the top corporate level.

The ability of women to take part in employee CSR initiatives differs depending on the social context. For example, in Oman women are usually taking part in initiatives related to cleaning the beach or visiting retirement homes although

“there are still some issues within certain fractions in society who are still underestimating women and females’ participation.” (OM8).

In the Emirates they would participate in specific projects only if accompanied by their husbands. However, seeing a woman taking part in an environmental campaign in Saudi Arabia is rather an exception:

“In Saudi Arabia women are not involved at all in the CSR initiatives that are being implemented because it’s very limited what they can do and what they can achieve, what they can do and whom they can talk to. So if you have an initiative you will have only males, you cannot see females.”
(SA19)

The status of women in Arab society is another element composing local social context that business considers when developing its CSR practices. Companies implement CSR initiatives that respond to social dynamics and are addressed towards empowering women, encouraging their development, growth and education. However, their participation as volunteers in CSR campaigns is limited and that has to be taken into account by business.

5.6. Chapter Summary and Conclusion

Chapter 5 presented empirical results of data analysis that serve to shed light on the research questions and to construct the CC1 and its Categories. The categories demonstrate the operational dimensions of CSR in the region starting from internal organisational level, CSR focus and forms of CSR practices conducted for the stakeholders of interest. The findings suggest that CSR in the Middle Eastern region is a multidimensional construct that has various forms depending on the factors presented through the Categories. The form of CSR activity of local organisations is a product of various contextual factors that were presented in the chapter. As result of their impact and influence, the social role of business has a notion divergent from the conventional understanding. The study continues with presentation of the second set of empirical results.

CHAPTER 6: RESULTS PART TWO – ISLAMIC CORPORATE SOCIAL RESPONSIBILITY PRACTICES

6.1. Introduction

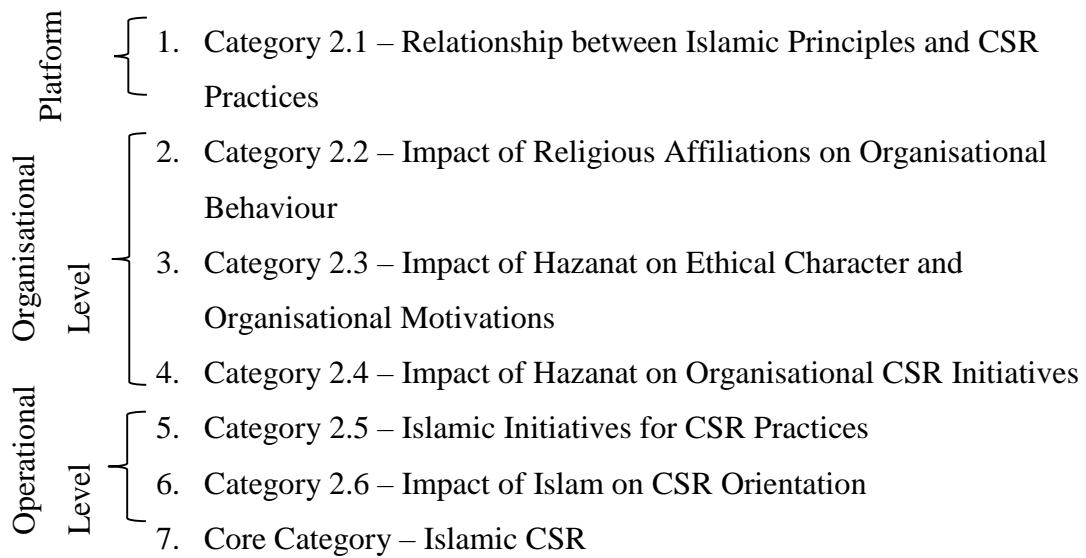
This chapter presents the second set of results that shed light on the examined phenomenon and demonstrate CSR from Islamic perspective as interpreted in the data analysis. Section two presents the Categories in CC2 and their properties. The Categories and identified relationships presented in Section two demonstrate the ideological foundation and construct behind the Categories outlined in Chapter 5. Section three concludes and summarises the chapter.

6.2. Presentation of Results

The Categories presented in Chapter 5 demonstrate how CSR is being operationalised by the Middle Eastern organisations. Going deeper, I interpreted that there is an ideologically grounded construct that shapes what will be operationalised as CSR by organisations. That interpretation of the data resulted in findings that shed light on Islamic CSR activity in the Middle East. This tangible core impacts on the organisational CSR activity as interpreted in the data. Divergent from previous academic research (discussed in more details in Chapter 7), the Categories presented here are based on what is being conducted in organisations in terms of CSR activity, i.e. the results are grounded in business practice.

The Categories in the current chapter are constructed as result of the empirical analysis and comparison of primary and secondary data sources. The results indicate that Islam has a significant importance for the CSR activity in the region starting from the initial stage of motivating management and the executive level to

become involved in CSR operations, through their design, implementation, target stakeholder groups, operation, accounting and reporting. In brief, Islam shapes the CSR behaviour of the Middle Eastern organisations. The extent of this impact can be comprehended better by the reader by acknowledging the unanimous agreement of respondents that CSR would have been different if Islam was not present in the Middle Eastern region. The Categories can be presented in the following manner:



6.2.1. Platform

6.2.1.1. Category 2.1 – Relationship between Islamic Principles and CSR Practices

As result of the secondary data analysis, I interpreted that the examined organisations differ in their CSR practices compared to Western organisations. Their pro-community and highly altruistic nature was evident and highly emphasised in the reported practices. Subsequently, as result of the primary data collection and personal visit to the examined companies' main offices, I identified that the unique nature of the CSR practices applied by sample companies are a result of the strong influence and strict following of Islamic principles. Although their implementation and consideration is rarely documented in the corporate

reports, respondents openly shared and stressed the importance of a number of Islamic principles (Appendix 49) that guide their CSR activity. Companies use Islamic principles as a blueprint and source of inspiration for their CSR practices and for that reason their initiatives have different nature and orientation – highly distinctive and to the best of my knowledge, evident in the examined context only (Category 2.6).

As suggested by respondents, Islam has served as a source for forms of CSR long before the introduction of CSR as a term in the Middle East. Therefore, it is not surprising that local organisations prefer to rely on it. That to a very good extent explains:

- 1) *The inapplicability of conventional CSR in the region*, which was highlighted by the majority of respondents, for example, SA1 who believes that:

*“...foreign and Western concepts are not applicable in the region. Foreign companies introduce different approaches for business, which consequently impacts on the success of the policies, concepts and techniques they try to implement **but their policies need to fit local tradition and community.**” (SA1)*

- 2) *Reasoning behind organisations’ equalisation between CSR and altruistic activity*. OM8 clearly indicated the main reason for divergence between the Western CSR and the Middle Eastern efforts in this regard by commenting that:

*“The capitalist philosophy is more focused on making money and using resources to make money, **while the Islamic philosophy is to get closer to God.** Ultimately is focused on reaching to God.” (OM8)*

His comment supports the main idea in the thesis – that the Western understanding of CSR is not in agreement with the Middle Eastern specifications and characteristics, and it also highlights the importance of religion for the examined phenomenon.

Therefore, the platform presented in Category 2.1 does not identify how Islamic principles impact on CSR in the Middle Eastern countries – that would not be correct from a historical and practical perspective since: 1) Islamic principles have served as what Western society calls CSR centuries before the conventional term development; and 2) Middle Eastern organisations do not apply CSR in its conventional form but, as said above, apply Islamic forms of CSR (Category 2.2) based on specific Islamic principles. These principles are summarised in Appendix 49 and supported with examples from the interviews in order to demonstrate their relevance to the examined context. Then, by following the interview results, their relation to the CSR practices of the Middle Eastern organisations is presented as well (Appendix 49). The principles are further presented below.

As a result of the data analysis, I interpreted that the Islamic platform for conducting CSR practices is based on three levels that have a normative nature (Appendix 49). The first one indicates the importance of specific theological principles as suggested by respondents and their relation to the examined phenomenon. This level is composed by essential principles of Islamic religion that give community support a mandatory nature. Since Islam represents a way of life (*Al-din*), Muslims are expected to devote their life to God by performing specific religious rituals (*‘ibadah*) in order to demonstrate living in submission and obedience to God (*taqwa*). All axioms of Islamic morals and norms originate from the concept of *taqwa* and the requirement to do what God commands. For that reason, theological principles were interpreted in the study as the first level upon which other principles build.

Ibadah could be regarded as the actions performed by Muslims in order to demonstrate living a life on the basis of *taqwa*. *Ibadah* is composed by a set of formal rituals (known as the five pillars of Islam), while the informal rituals take the form of living a life in accordance with the Divine principles and performance of good deeds. Two of the pillars – *zakat* and *sawn* – were identified by participants as particularly relevant to the CSR of their organisations (Appendix 49). The importance of *zakat* was broadly explained in Chapter 5. The high importance given by the Islamic faith to supporting the needy is institutionalised in the form of a religious pillar that holds the power of a formal ritual and converges humankind with God. Similar understanding is embedded in *sawn* – one of the Islamic pillars that predisposes to solidarity with less privileged people. This strong emphasis on supporting the needy on a material level (by giving them goods via *zakat*) and on emotional and spiritual levels (by understanding and feeling their struggles via *sawn*) was interpreted as important for the establishment of a personal paradigm of kindness, humanity and support of less-privileged people:

*“Every devoted Muslim is raised with the **principles of feeling solidarity with less privileged people and helping them**. This is part of our behaviour and attitude.” (SA14)*

This paradigm on a personal level was interpreted as affecting organisational behaviour with regard to CSR practices (Category 2.6).

Respondents have also given high importance to the intention (*niyya*) and sincerity (*ikhlas*) behind one’s acts and words. Therefore, the reasons why one involves oneself in community support and the moral behind one’s intention affects whether the act will be accepted by God (Category 2.4). As explained in Chapter 5, *niyya* was identified as the main reason for lack of reporting and monitoring on CSR in the region since sharing information of this kind could be considered unethical.

According to the respondents, the theological principles presented above are the main paradigm for development of morals and norms in Muslim society – summarised under second and third levels in Appendix 49. They include values for humanity and sympathy towards the other (*insāniya*), giving out of compassion, religious duty or generosity (*sadaqah*) and acts of charity (*auqaf*), putting others before you (*itar*), fulfilling obligations and responsibilities (*amanah*) and equal treatment of all people (*adl*). The norms that lead to CSR practices are the norm of seeking and sharing knowledge (*ilm*), taking care of common good and human development (*tazkiyyah*), environmental care and protection (*emara*), commitment and discipline in work (*ehsan*).

“Islamic values are take care of yourself, take care of your own and take care of your neighbour. And that’s what CSR is all about – stop working in isolation, stop working to just making profit and start doing it better, in a way that involves everyone and addresses people’s concerns in a way not ignorant from where you are operating.” (OM13)

The comment made by OM13 summarises the theological principles explained above, whereby Muslims are required to live a life guided by compassion and solidarity with people in need and high moral virtues.

The religious principles and concepts presented above are the guiding mechanisms that create a foundation upon which the Middle Eastern organisations involve themselves (Category 2.2, 2.3 and 2.4), develop (Category 2.5) and conduct (Category 2.6) CSR practices as interpreted in the data analysis. These principles are the essence of the Categories in CC2 presented below.

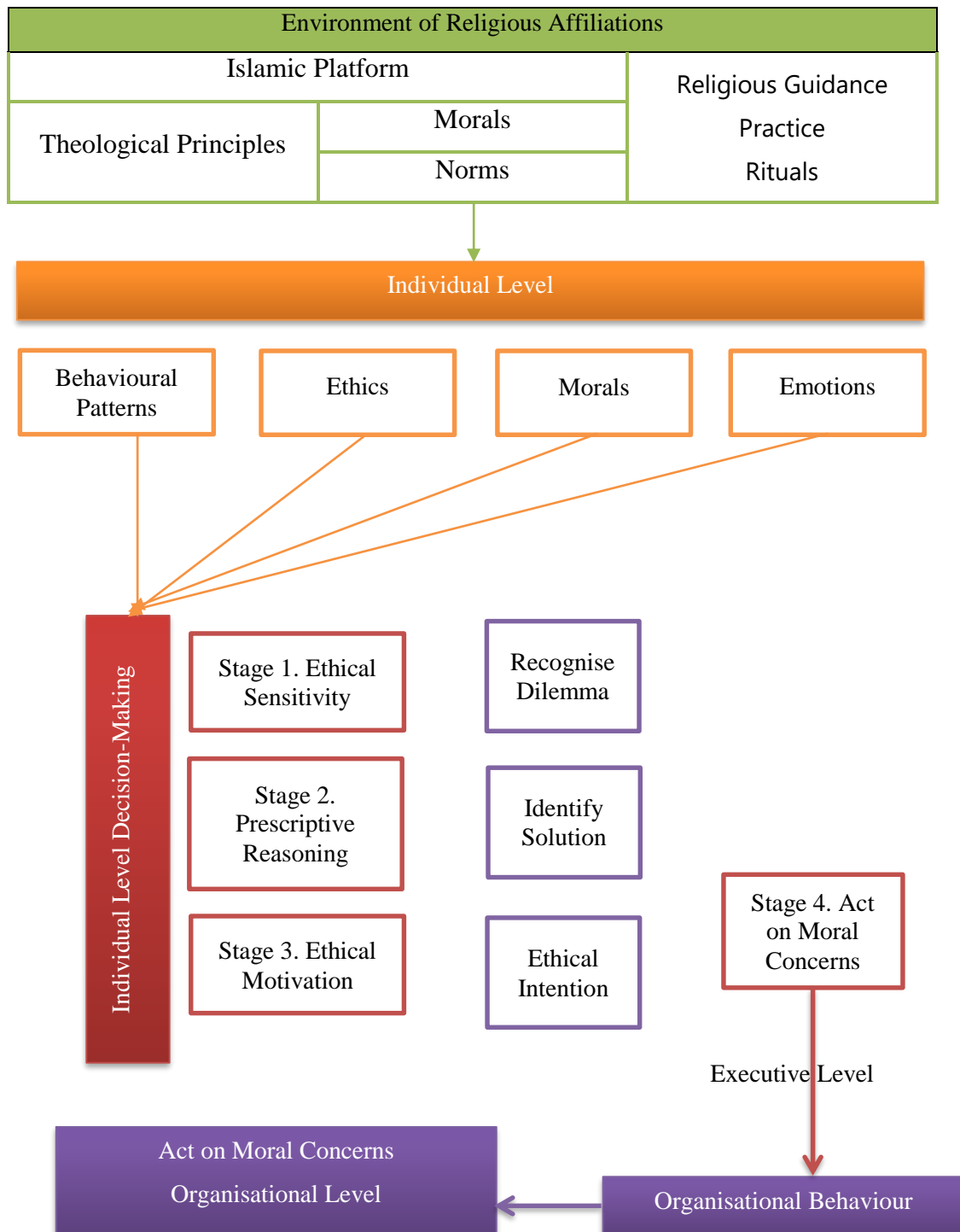
6.2.2. Organisational Level

6.2.2.1. Category 2.2 – Impact of Religious Affiliations on Individual Level Decision-Making and Organisational Behaviour

The study identified that the religious factors presented above are composing elements in an environment of religious affiliations. These affiliations – theological principles, morals, norms (called above, the Islamic platform), religious guidance, practice and rituals – result in establishing a specific set of individual-level internal emotional prism, belief system and morals that serve to refract and re-shape the social actors' communication with external reality.

That set is generally driven by external forces and repetitive interactive processes with the surrounding environment and the religious affiliations. Thus, as I identified, internal moral emotions and perceptions for ethical behaviour are built as a result of religious affiliations that drive and transfer to external behavioural patterns including ethical behaviour. The outcome of this process is presented in Category 2.4. Category 2.2 demonstrates the impact of religious affiliations and postulates embedded in Islamic teaching and their impact on emotions, morals, ethics and behavioural patterns and their influence on individuals' decision-making processes and consequently organisational behaviour (Figure 6.1) interpreted as a result of the data analysis. This influence was identified as having major significance and impact on organisational ethical behaviour in the examined organisations.

Figure 6.1: Impact of Religious Affiliations on Organisational Behaviour



Source: Author's original work

The process of individual ethical decision-making and behaviour is complex and is driven by internal and external forces. As identified in the data analysis, the

Islamic religious affiliation and postulates in religious textbooks impact on respondents' *ethical sensitivity* and their ability to identify an issue (Figure 6.1, Stage 1) as such. This stage generally involves the individual's recognition or significance of a specific situation. Driven by the teachings of Islam as discussed in Category 2.1, individuals might consider a specific situation as requiring their attention (e.g. a poor person needs food). That recognition could occur as a result of one's subconsciously driven behavioural models that are built around individuals' values and beliefs, usually shaped in early childhood age. As a result of these behavioural models, an automatic response of the specific situation will be produced as described by one the participants of this study:

“We, (Muslims) when we are children we are thoughtful to give food to the poor, to go to the mosque and distribute alms to the poor, so when we grow up, it's still in us as part of us. It's not ‘oh, I should’, but it's automatic to, like getting up in the morning and brushing up your teeth. You don't get up and think ‘it is a job’ or ‘should I do it or I shouldn't’, it's just natural, it's in-built” (SA2).

The statement made by SA2 demonstrates that the ethical and moral prism of Muslims built on internal, subconscious level is significantly influenced by religious affiliations. That ethical and moral prism recalls a specific emotional status (e.g. condition: seeing a poor person – emotion: alertness) associated with a strong, particular *sensitivity* observable only when that specific condition is evident (e.g. seeing a poor person in different time and space settings) as these internal emotional dynamics (driven by the emotional alertness) consequently result in recognition of a specific *dilemma* (e.g. dilemma – someone looks in need) as a problem.

Once the problem is recognised as such and there is an emotional response (emotional alertness on a personal level), I identified that the religious affiliations impact on the respondents' *prescriptive reasoning* (Figure 6.1, Stage 2) that

results in identifying the ideal solution to a particular ethical dilemma. According to OM10:

“Prophet Mohammed has a saying: ‘if you really want to have faith in Allah, you have to give away to your brother, whatever you love for yourself’. So, it’s about giving away and supporting, especially the word ‘supporting’ come of the top of priorities. So it’s really highlighted by Islam to support”.

Continuing from the example given above, if an individual is emotionally alerted by the *dilemma* that someone looks in need, his ability for *prescriptive reasoning* being refracted through the inner ethical and moral prism will result in identifying and *prescribing* a specific course of action, a response to that particular problem. With other words the poor person will be acknowledged as one that *needs support*, as stated by OM10.

Once the dilemma is recognised as important and the most appropriate course of action has been identified, I interpreted that respondents’ *ethical motivation* (Figure 6.1, Stage 3) that involves their formulation of *ethical intention* of whether to comply or not with the ethical judgement made previously – is driven by their religious affiliations. I identified that the religious promise of afterlife included in Islamic teaching impacts strongly on the respondents’ decision-making ability and motivation to behave ethically and act on moral concerns (Figure 6.1, Stage 4). Moreover, that influence affects the eventual response on the specific issue as well as suggested by OM10:

“We believe in Islam that there’s an afterlife and whatever good deeds you do here, you will definitely be rewarded perhaps in this life or in the afterlife as a good deed, because you are not asking for anything back.”

This leads to establishment of a specific behaviour in the executive directors that as result of their decision-making role in the organisation, translates to organisational behaviour and organisational response to social issues.

6.2.2.2. Category 2.3 – Impact of Religious Affiliations on Ethical Character and Organisational Motivations

As result of the data analysis, (and continuing from the impact presented in Category 2.2), I interpreted that: 1) the emotional attachment to the Islamic concept for afterlife; and 2) the religious concept for obtaining rewards for one's good deeds (*hazanat*) invokes a specific attitude and judgement of the acknowledged issue by individuals (*ethical character*). This specific attitude and motivations at a personal level translates to organisational-level motivation and intentions to behave or not in an ethical manner according to the data analysis (Figure 6.2).

Moreover, when the individual has executive power (as in the sample examined), that specific motivation at the individual level and importance of religious affiliations turns into organisational-level decision-making processes and intention to behave ethically. The *ethical character* of the executives interviewed was identified as deeply influenced and shaped by the religious concept of *hazanat*.

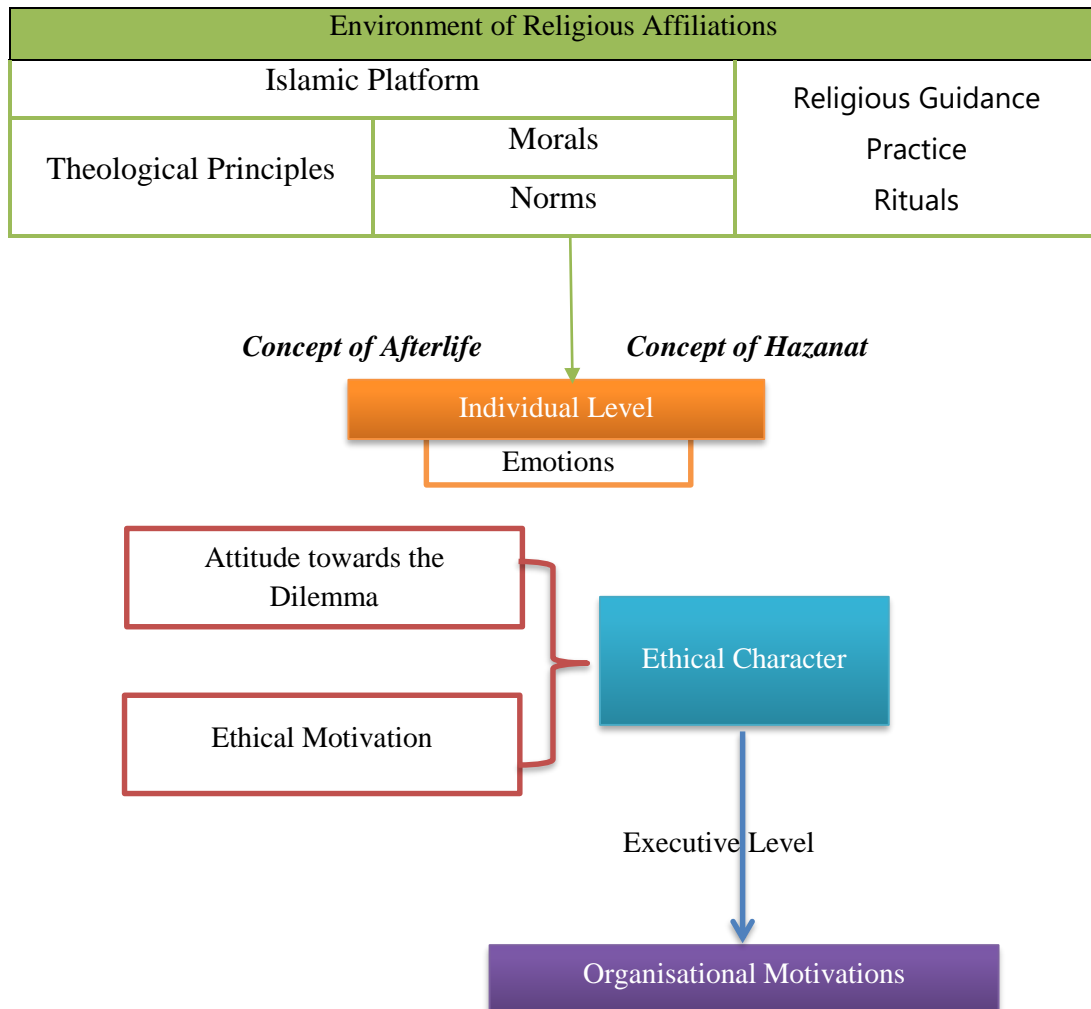
*“In Islam we believe that all the deeds that you are doing during your live are kept and tracked and there's a record of them. And this book, everything good and bad you do is recorded and **you will be faced and accountable to what you have done in your life**”. (SA5)*

Therefore, religious affiliations were interpreted as shaping *ethical character* and *ethical individual* and *organizational level motivations* to produce a response to an ethical dilemma. The interviewed executives were anonymous that their primary motivation to involve in ethical and socially responsible corporate initiatives is to obtain *hazanat*. When asked whether their expectation for

obtaining *hazanat* and being rewarded in the afterlife could be perceived as a reason for them to participate in ethical operations and CSR, they gave a response similar to OM10's:

“Of course it does. Yes. There’s no way we can separate that. We know that now we are helping the society and if I don’t get anything here on the Earth I will get it in the end, in the afterlife”. (OM10)

Figure 6.2: Impact of Religious Affiliations on Ethical Character and Organisational Motivations



Source: Author's original work

That response highlights the impact of religious affiliations on an individual's ethical and moral prism and consequent intention for undertaking an ethical decision-making course of action. Therefore, the notion of *hazanat* was identified as a primary motive for conducting CSR initiatives in the examined countries.

6.2.2.3. Category 2.4 – Impact of Hazanat on Organisational CSR Initiatives (why focus on specific ones)

I identified that the Islamic understanding for obtaining *hazanat* has the power to impact on organisational initiatives and more precisely, to attract organisational focus on a set of a few specific initiatives as presented in Figure 6.3 and suggested by OM7:

*“When a person dies, the book is closed and nothing is added to it - positive or negative, but Prophet Mohammed explained to us that there's exception where after you die and the book of deeds is closed, it can be reopened after your death and you can have either good deeds or bad deeds added to it in **three cases**.” (OM7)*

These three cases are:

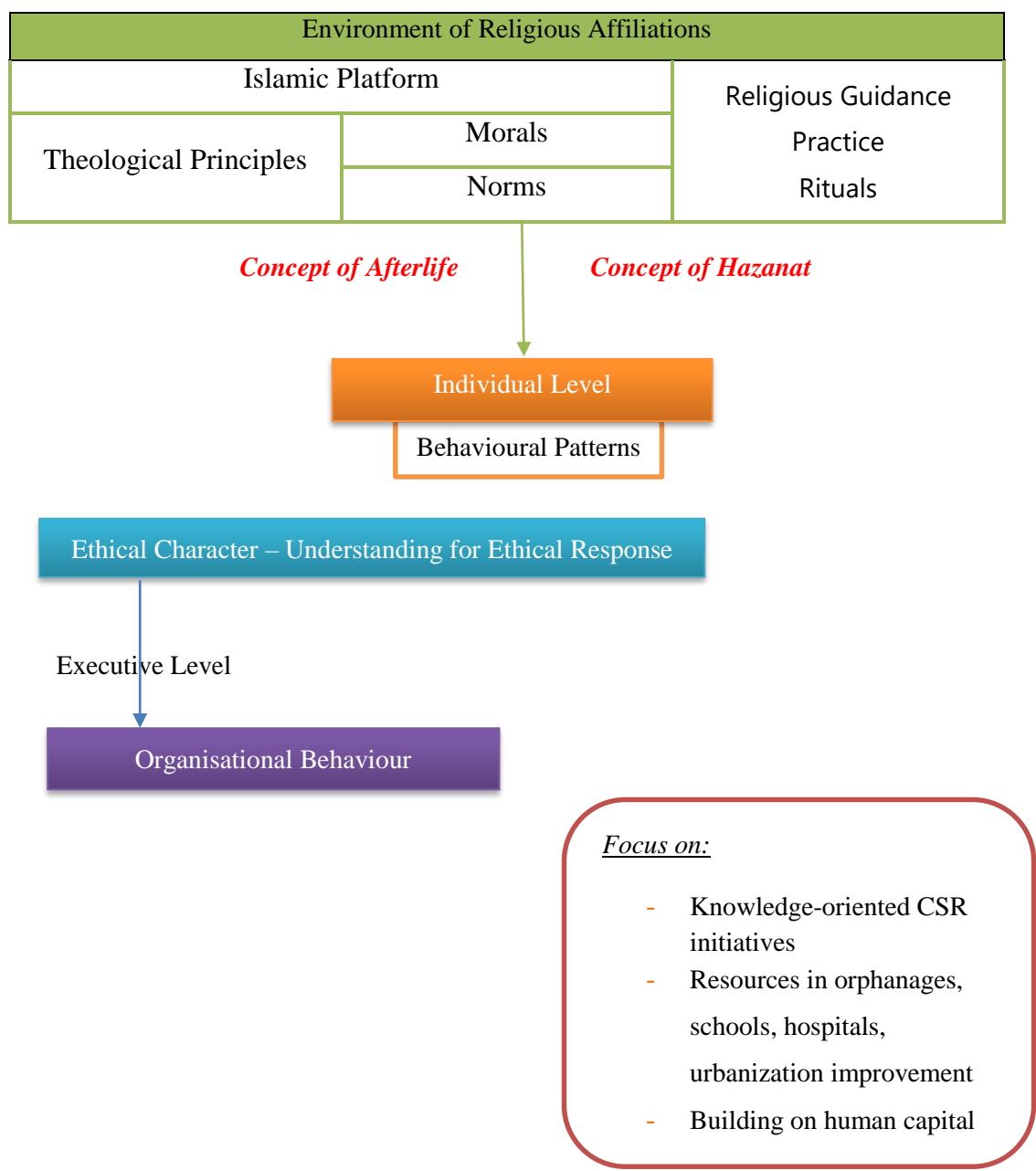
1) Knowledge-creation:

*“One of them is **leaving behind beneficent knowledge** or science, discovered new knowledge, books, inventions, produced positive impact to the people so every time people benefit from your knowledge after you die, it will add credits to you even after your death.” (SA5)*

That turns into a significant driver for conducting ethical behaviour and involving oneself in specific initiatives as postulated by Islam. The promise of obtaining *hazanat* turns into organisational emphasis on specific socially responsible corporate practices that are driven and inspired by a religious promise of afterlife, or as suggested by SA5:

“So that’s why people are so excited to fund research projects, to publish books, to build an online portal where knowledge can be used, and other thing that can establish public enterprise and produce public good” (SA5)

Figure 6.3: Impact of Hazanat on Organizational CSR Initiatives (why focus on specific ones)



Source: Author’s original work

That represents a significant part of Middle Eastern knowledge-oriented CSR initiatives (see Appendixes 11, 12 and 13).

- 2) Islam also says that one can obtain *hazanat* by investing resources in orphanages, schools, hospitals, urbanization improvement. These initiatives were identified as some of the most attractive CSR practices considered by respondents as a way to demonstrate their organisations' socially responsible corporate behaviour:

“So if you dig a well or build an orphanage, or build a school, or build a hospital, as long as people drink from the well, walk on the road or are treated in the hospital, every time this takes place after your death, there will be a continuous flow of rewards and blessings coming to you even after your death” (SA15)

An implication of this statement can be found in the Middle Eastern organisations' CSR initiatives focused on building schools, orphanages, hospitals, urbanization and water conservation (see Appendixes 11, 12 and 13).

- 3) The third case where a person can obtain *hazanat* is through his children by building on human capital:

“The third one, is preparing your children or student to be a good citizen and to have a positive place in the society, so it's about human capital”. (EM9)

That statement supports the strong emphasis on building and investing in development of local talents as interpreted in the secondary data analysis (see Appendixes 11, 12 and 13), development of employees and building of strong social capital in the Middle East.

The impact of religious affiliations was further confirmed by OM7 according to whom this Islamic postulate affect the CSR operations of local companies:

“Islam says, when a person dies his work is cut off. Three things continue giving him a good award – one is if a person has done a job that people are benefiting from it, this award goes to him even if he is dead; the other one – knowledge, project that is beneficent for others; or a child who will pray for him. That actually represents CSR.” (OM7)

OM7’s statement compares and equalises the three modes of obtaining *hazanat* to CSR which was interpreted in the analysis as an evidence for the impact of religious postulates at a personal level and their influence on organisational behaviour. Moreover, this statement also sheds light on organisational interest in investing in specific CSR initiatives related to building hospitals, schools, conducting educational and entrepreneurial programmes. As result, these three specific CSR streams were interpreted essential components for the CSR activity in the region.

Therefore, I interpreted that these three modes of obtaining *hazanat* shape not only: 1) executives’ *ethical character*, understanding for ethical response to an issue and motivation to solve a moral dilemma (Category 2.3); but also represent 2) a significant motivation to focus on those three specific streams (Category 2.4) and 3) and affect the CSR initiatives that will be conducted by local organisations (Category 2.5).

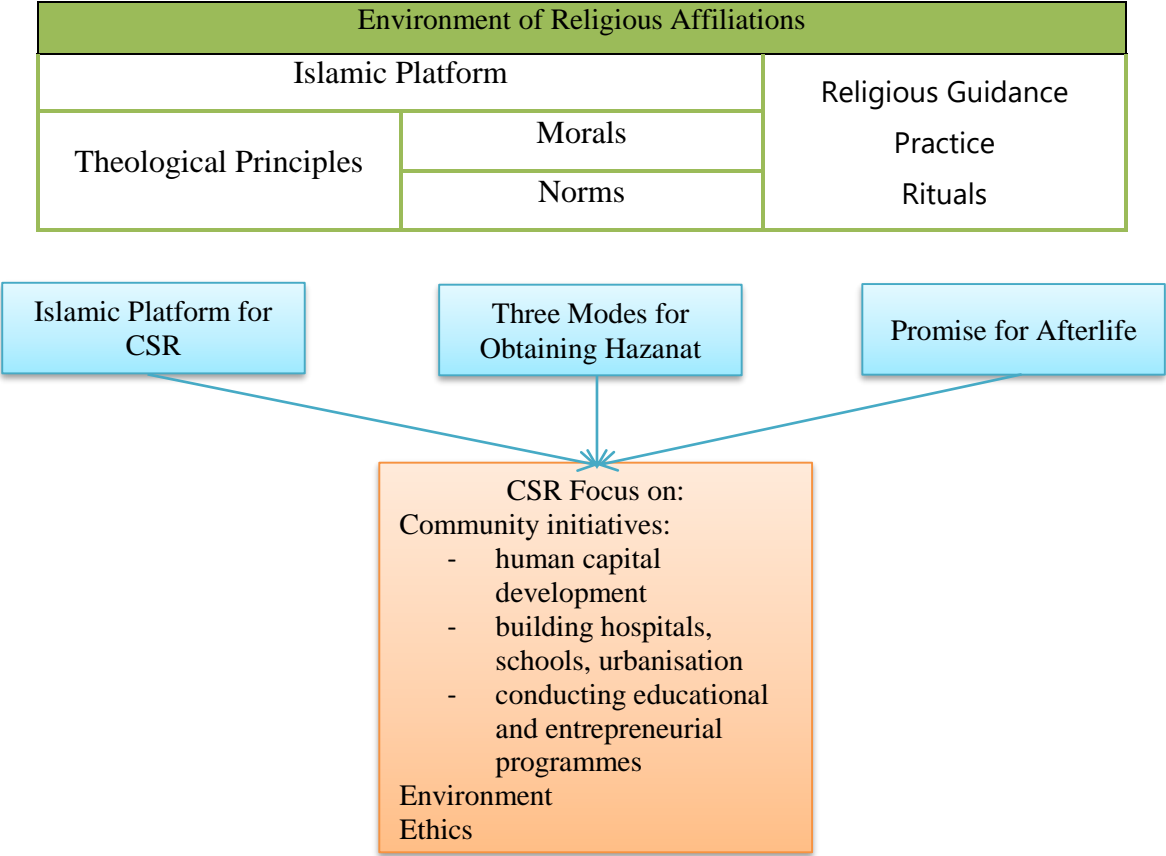
6.2.3. Operational Level

6.2.3.1. Category 2.5 – Islamic Initiatives for CSR Practices

As result of the data analysis, I identified that the Islamic principles summarised in Appendix 49 and the factors composing the Categories presented above, result in the implementation of a specific set of CSR initiatives that could be considered as a *rule* in the Middle East. I interpreted in the data analysis that they obtain the

status of a rule driven by the factors presented in Figure 6.4. Being affected by an environment with intense religious affiliations that result in an individual-level motivations and beliefs associated with the concept of *hazanat*, afterlife as well as the approaches through which one could obtain *hazanat*, executives are more inclined to focus on a specific set of CSR initiatives because their practice will help them fulfil their religious obligations. These practices are silent but impactful, region-specific and driven by environment-specific factors. As result, we observe a particular CSR focus as presented through Figure 6.4:

Figure 6.4: Islamic Initiatives for CSR Practices – Driving Factors



Source: Author’s original work

I interpreted in the data analysis that the CSR initiatives presented in Table 6.1 are evident in all for-profit organisations that took part in the study (see Appendix 11, 12 and 13) as the organisations are involved in their practice in a different extent.

Although some of them might consider additional initiatives (e.g. with a stronger economic focus) these initiatives are rather an exception than a rule, because they will not help individuals fulfil their religious obligations. The reasons for that were presented through Category 2.3 and Category 2.4. As result, we observe a CSR activity that is mainly concentrated and designed around religious affiliations. The outcome of the interaction outlined in Figure 6.4 is presented in Table 6.1.

Table 6.1: Islamic CSR Initiatives

Principle	Focus on	Initiative
<i>Taqwa</i>	Community	Improving community well-being
<i>Sawn</i> <i>Insāniya</i>	Community	Supporting community development
<i>Tazkiyyah</i>	Community	Investment in employees and employability Entrepreneurship programmes
<i>Ilm</i>	Community	Knowledge and talent development
<i>Itar</i>	Community	Volunteering
<i>Zakat</i> <i>Sadaqah</i> <i>Auqaf</i>	Community	Charity and donations
<i>Emara</i>	Environment	Cleaning and protecting the environment
<i>Adl</i>	Ethics	Equal and fair treatment of internal and external stakeholders
<i>Ehsan</i>		Professionalism and work ethics
<i>Amanah</i>		Trust in using organisational resources and resources of internal and external stakeholders
<i>Ikhlas</i>		Trust and cooperation with internal and external stakeholders
<i>Niyya</i>		Managing internal and external stakeholders driven by fair intentions
		Accounting and reporting

The practices summarised in Table 6.1 present CSR activities interpreted as result of the data analysis and comparison of primary and secondary sources. Evidence for their practice was identified in all examined companies but organisations invest CSR efforts in them differently, depending on their vision and objectives. Therefore, these initiatives are considered important for every Middle Eastern company involved in CSR. This refers only to local, Middle Eastern companies due to the information presented in the Categories above.

6.2.3.2. Category 2.6 – Impact of Islam on CSR Orientation

As result of the data analysis, I interpreted that Islam has a direct impact on the orientation of the CSR initiatives that organisations in the examined context develop and implement. The Islamic principles summarised in Category 2.1 serve as a blueprint and source of inspiration for the examined companies and for that reason their initiatives have different nature and orientation – highly distinctive from Western countries. Their importance for the CSR orientation was confirmed by SA4:

“If Islam was not there, in the Arab countries I think they would react to CSR as the foreign companies. If there’s no Islam, the interest would be less than the current of the companies” (SA4).

Importance of Islam is institutionalised and can be seen in many different aspects as presented above – from individual to organisational level. CSR is not an exception and respondents are certain that CSR would have different shape and structure if Islam was not present in the region. Moreover, SA4 also confirms the importance of Islam for CSR engagement (Category 2.3).

As stated in the beginning of this chapter a notion of socially responsible corporate behaviour existed in the Middle Eastern region centuries before the introduction of the conventional Western concept of CSR, as local communities and business relied on Islamic principles (Category 2.1):

“the way CSR is perceived is not necessarily a new concept it’s just being institutionalised here. The reason I said it’s not a new concept here is within Islam there are certain principles, values and virtues that you follow as a Muslim, individual or entity, or company, or environment that have certain values that push against the idea of understanding your impact and giving back to society, both. I think Islam is probably the reason why every company or majority of the companies already have an acceptance of the idea that they have to give back, it’s just the idea how you give back, and what is the framework within which you are working to give back and how do you make this the best way to give back”. (OM1)

Considering the pro-community and altruistic nature of those principles (Category 2.5), the reader can see the consequent pro-community orientation of the regional CSR initiatives and principles that the examined companies would apply. That was highlighted by EM11 who answered positively to my question about the impact of Islam on CSR orientation in the region and if CSR would have been different if Islam were not present in the region:

“Yes, it would have been different. It would have been different. They all trust in the humanitarian orientation of CSR. In the West you could use CSR to reduce your profit loses, or the industry pollution of air, water, then your CSR focus will be to reduce this pollution. The focus here is on humanitarian and charity oriented programmes.” (EM11)

As result of this impact, we observe CSR initiatives in the Middle Eastern region that are oriented towards providing better living standards for local communities by focusing on altruistic and charity-related practices that differ significantly from the CSR orientation of Western companies.

6.2.4. Core Category Two – Islamic CSR

The Categories presented above compose the construct of Core Category Two – Islamic CSR (Appendix 43). The postulates framing Islamic religion (Category

2.1) exert impact at organisational level by creating a specific moral and ethical paradigm that shapes social actors' communication with external reality. When exerted at executive level, this paradigm affects organisational behaviour (Category 2.2) and ethical responses to environmental dynamics (Category 2.4). As interpreted, Islamic postulates exert pressure on ethical character and organisational motivations to solve a specific moral and social dilemma (Category 2.3) as that shapes the strategic orientation of their organisational CSR activity (Category 2.6) and the specific CSR initiatives the organisation will develop and conduct (Category 2.5).

6.3. Chapter Summary and Conclusion

Chapter 6 presented the influence of the Islamic context on CSR activity in the Middle Eastern region by analysing primary and secondary sources of information. The findings suggest that the religious context is salient and impactful, and this impact incorporates all aspects and elements of CSR starting from the ability of individuals to recognise a problem as such, motivations to solve it till the development and execution of an appropriate response. Influence of Islamic principles was also identified in the strategic orientation of the response that will be produced by the executive level decision-makers. The Categories presented in Chapter 5 present how this response will be institutionalised and implemented. The study continues with a second review of literature applied in accordance with the research strategy of the study, where the Categories constructed in CC1 and CC2 are compared and discussed with relevant academic sources.

CHAPTER 7: REVIEW OF THEORETICAL LITERATURE AND DISCUSSION OF FINDINGS

7.1. Introduction

In the preceding two chapters the research results have been presented. These results have been grounded in empirical data and supported by respondents' voices, as well as conceptual categories and memos constructed during the data analysis. The results suggested that from the perspective of respondents, CSR in the Middle Eastern countries is a complex phenomenon influenced by multiple and dynamic endogenous factors that lead to significant divergences between the execution of CSR observable in the region and the conventional understanding of CSR developed and applied in Western literature and practice. With this in mind, the current chapter has two primary functions. First, given the large number of concepts and issues identified in the research findings, it is essential to distil them and reflect on how they relate to the research questions. This is done in the first part of the chapter. The second function of this chapter is to discuss how the research findings relate to existing theoretical literature and concepts. This key component in the study is presented in the second part of the chapter where the constructed Categories are discussed and compared with academic literature. Engagement with extant theoretical literature and concepts at this stage is performed in accordance with the research approach followed in the study. The result of this comparison is the construction of the two substantive theories presented in the second part. Comparison of the constructed substantive theories with academic studies is also conducted and presented in part three. Discussion and comparison of the substantive theories with existing theoretical concepts is necessary since it may provide further perspectives on the research findings and facilitate their better understanding. Moreover, this engagement with relevant theories situates the research findings within the theoretical context. The study

findings and their relevant theoretical perspectives are presented and discussed in part four. Their positioning in relevant theoretical literature is used as a preposition for the discussion on the main argument in the study presented in part five. Part six concludes and summarises the chapter.

7.2. Part One – Revisiting the Research Questions

The current study has been initiated with the research problem and research questions outlined in Chapter 3 and driven by the analytic needs of the constructed categories in accordance with the research approach followed (Charmaz, 2006). The research questions were consequently addressed in Chapters 5 with regard to the study results. In this section, the research questions are addressed in order to discuss them and compare with academic literature.

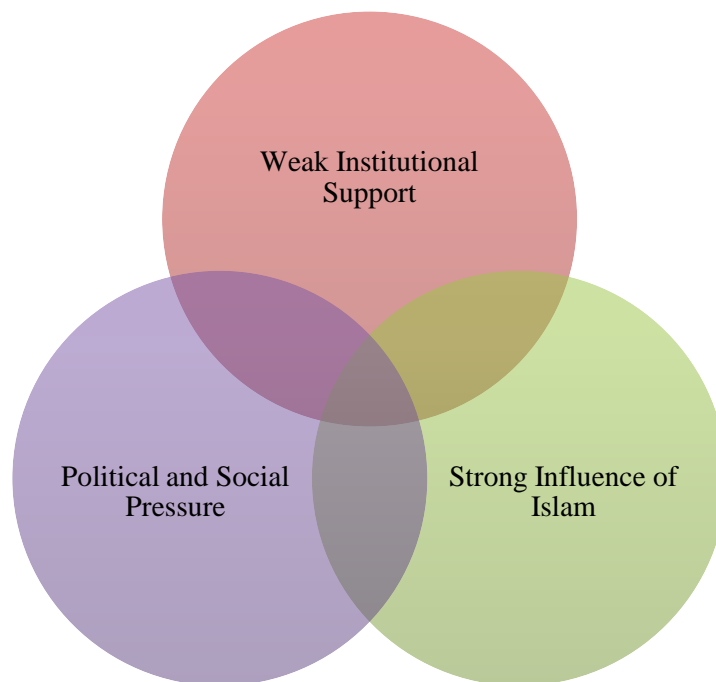
7.2.1. Research Question One

The first research question sought to explore perceptions on CSR at an organisational level in the Middle Eastern region and four sub-questions were developed for that purpose. Their objective was to clarify and provide more depth on RQ1. Data related to RQ1 was gathered and analysed and that resulted in the construction of a few Categories presented in Chapter 5. **Among the most important finding of RQ1 is that CSR is perceived as an externally oriented, pro-community related practice constrained within the domain of altruistic ‘giving’.** As reasons for that, various endogenous factors were identified such as: **1)** weak institutional support for community needs; **2)** strong influence of Islamic postulates, morals and norms; and **3)** political and social pressure (Figure 7.1). Combined together, these three elements result in the institutionalisation of an organisational phenomenon that gives different dimensions to the social role of business, divergent from Western practice.

Acting as change agents in the Middle Eastern realm or as called by Scherer and Palazzo (2007) “corporations as political actors”, the study findings suggest that business entities in the Middle East and **business in particular are perceived as responsible for community well-being and are expected to undertake some of**

the institutional responsibilities of local authorities in order to maintain balance between different environmental actors. This idea is outlined in Figure 7.1, in which the shaded area where these three factors overlap can be taken as the core of CSR in the Middle Eastern region as interpreted in the study and a source of environmental dynamics that contribute to the current shape of CSR in the region.

Figure 7.1: Multi-Layered Construction of Endogenous Factors in the Middle Eastern Environment



Source: Author's original work

The influence of these three factors contribute to the external orientation of organisational CSR activity as entities involved in its development and implementation concentrate their CSR efforts on extrinsic environmental factors. These extrinsic factors are products of dynamic contextual stimuli as presented in Chapter 5 (Section 5.5). Moreover, the organisational approach towards the extrinsic environmental factors differs depending on intrinsic organisational-level dynamics that are prerequisite to different forms of institutionalisation of CSR in the entities and different modus operandi towards practising CSR in the region.

Driven by external forces, organisations produce CSR responses that are in accordance with the environmental tendencies but are also focused on communicating with a limited range of actors. This form of interaction was of particular interest for the current study that was further clarified through RQ1.3 and RQ1.4.

Starting from stakeholder theory (Freeman, 1984) and the position that stakeholders are the backbone of every CSR policy (Carroll, 1979), it was of a significant importance for the present study to identify who the stakeholders of interest for the Middle Eastern CSR practices are, what their importance consists of and how local organisations interact with them as part of their CSR initiatives. These questions provided a platform for the identification of a few additional significant findings in the study with regard to the phenomenon of investigation. Probably the most important one here is that stakeholder power has different dimensions in the Middle Eastern region as broadly presented in Chapter 5. Driven by contextual dynamics and stimuli associated with the Middle Eastern environment, **stakeholder power consists of a broader range of factors compared with the Western literature** (e.g. Mitchell et al., 1997). That consequently results in the institutionalisation of a stakeholder group that has the power to drive internal environmental dynamics in the region. Accordingly, this group and its stakeholder-related concerns turn into the primary focus of Middle Eastern organisations and a stepping stone for development and implementation of CSR initiatives.

Consistent with the findings presented above, **the CSR practices developed and implemented by Middle Eastern organisations are somewhat a corporate response to the extrinsic environmental factors identified in the study and developed as a result of the interaction with the identified actors of interest.** The study found that the outcome of these two factors leads to the specifications found in the orientation of the CSR initiatives of the organisations and their unique nature compared with Western practices. If CSR in the West encompasses a broad range of activities oriented to the economic and marketing stability of the

organisation, fair and ethical business practices, societal good and environmental commitment (Carroll, 1979), the study findings suggest that **CSR practice orientation in the Middle Eastern countries are primary focused on social well-being and sustainable community growth.**

In contradiction to the business-case oriented approach to CSR (Bondy et al., 2012) and business goals (Sharp and Zaidman, 2010) visible in the Western country context, which are typically measurable, finite and within the organisations' area of influence, **the CSR identified in the Middle Eastern region addresses social needs that are virtually infinite, difficult to measure, and largely beyond the organisational area of direct control and influence.** Moreover, **the Middle Eastern CSR initiatives involve a profound ethical and moral dimension that was identified as the core of divergence with the more purely profit-oriented standard CSR activities.** This moral dimension was explained in Chapter 5 where the notion behind the religious concepts of *niyya*, as well as the concept of *ikhlas* presented in Chapter 6 – were identified as the religious core for careful focus on the *intention* behind engagement with CSR activity. As result, **the CSR efforts invested in by the Middle Eastern organisations differ from the profit-centric CSR activities engaged in by Western organisations in that they are less central and aligned with the organisations' primary business mission and corporate strategy.**

CSR was also identified as perceived and consequently executed separately from other business practices in the examined organisations. CSR is not aligned with the primary business objectives and operations of the organisations and that differentiates it from other business activities in that it creates a point of volunteerism. This volunteerism comes from the organisation's employees, as the CSR programmes identified in the study typically require not only monetary support but also investment of time. Investment of time was emphasised by the respondents as one of the most important forms of CSR practice in the region. As result, the employees act as actors in for-profit organisations while simultaneously

performing responsibilities typically associated with actors operating in not-for-profit-organisations.

7.2.3. Research Question Two

The second research question was concerned with the role of Islam in CSR in the Middle Eastern region. The study findings suggest that Islam plays a significant role in CSR activity in the region and shapes organisational culture and behaviour in terms of CSR commitment, development and implementation. In brief, the impact of Islam was presented through the Categories in Chapters 5 and 6 and can be summed up in the following way – it:

- 1) Impacts on ethical character and individual-level decision-making
- 2) Impacts on organisational behaviour
- 3) Represents a main driving factor and motivator for engagement with CSR
- 4) Impacts on stakeholder perceptions of CSR
- 5) Exerts pressure on the CSR initiatives to be implemented
- 6) Impacts on the scope, focus and orientation of these initiatives
- 7) Impacts on CSR accounting and reporting
- 8) Impacts on CSR financing
- 9) Shapes CSR institutionalisation
- 10) Impacts on CSR orientation
- 11) Is the reason why CSR exists in the region
- 12) Serves as a source for CSR initiatives
- 13) Enables CSR to become a way for Muslims to fulfil their religious duties.

Considering the thirteen points of impact interpreted in the data analysis, it is clear that Islam has a significant role in CSR operations at internal and external organisational levels. It was interpreted that **Islam is the main prerequisite for the inapplicability of the conventional concept of CSR in the region** since the Western notion of CSR is not in accordance with the contextual specifications of the examined countries. The strong impact of Islam gives a different shape and orientation to CSR in the region that is significantly divergent from the

conventional understanding of CSR, as religious affiliations exert pressure on every step of the CSR activity in the region.

It was further interpreted that the religious affiliations identified in the study present a specific set of internal emotional prism and belief system that shape the manner of interaction and communication of actors with the external reality. Islam shapes to a high extent the morals and norms individuals hold in terms of solving ethical dilemmas and producing an adequate response to them. The study findings suggest that Islam has significant influence on all stages on individual-level decision-making and affects the ethical character of individuals. When observed at an executive level, this impact affects organisational operations and behaviour.

One of the significant findings for RQ2 is the impact of *hazanat* on ethical character and organisational motivations, and its role as a source and inspiration for CSR initiatives. The study found that the emotional attachment to the Islamic concept of afterlife and the religious concept of obtaining rewards for one's good deeds, invokes a specific attitude and judgment towards ethical dilemmas and the consequent response produced by individuals. These religious concepts were also identified as driving factors and mediators for engagement in ethical and socially responsible corporate initiatives.

Another very important finding of the study is the reliance on *hazanat* as a source of inspiration and development of CSR initiatives. The study found that the three modes of obtaining *hazanat* – contribution to knowledge, building of orphanages, schools, hospitals, improvement of urbanisation and building of social capital serve as a blueprint for CSR initiatives as presented in Chapter 6. The secondary data analysis identified that the majority of the CSR activity in the Middle Eastern region is constrained within the boundaries of these three approaches for obtaining *hazanat* and supported the respondents' comments on the importance of these factors for CSR activity in the region. Therefore, the study found that these three modes of obtaining *hazanat* lead to considering them as 'a rule' for CSR in the region.

The Islamic normative principles identified in Chapter 6 and the findings related to *hazanat*, resulted in the identification of Islamic initiatives for CSR practice that were broadly explained in the previous chapter. **One of the major findings of the study is the construction of Islamic CSR initiatives based on the identified areas of CSR interest, the Islamic blueprint for CSR initiatives and the three modes of obtaining *hazanat* as identified in the study.** These initiatives were identified as widely applied by the examined organisations and that confirms the significant importance of Islam for the examined phenomenon. As a result, it was found that Islam impacts on the scope, focus and orientation of the CSR initiatives in the region as this impact results in a pro-community oriented version of CSR.

7.2.4. Research Question Three

The third research question complements the first one and sheds light on the phenomenon of investigation. While RQ1 had a broader scope, RQ3 was rather focused on exploring the institutional dimensions of CSR in the Middle Eastern organisations. The findings demonstrate clear evidence of an institution of CSR as practised by the organisations that differentiates from the conventional approach applied in Western companies.

According to DiMaggio and Powell (1983), there are three mechanisms by which attitudes and practices become homogenous within a social context – coercive, mimetic and normative isomorphic pressures. These three pressures help to increase homogeneity of meanings and practices associated with the relevant institution (Scott, 2001) and are of significant importance for the CSR institutionalisation process. **One of the important findings in the study is that organisations institutionalise their CSR commitment due to *coercive pressures* resulting from both formal and informal influences on the organisations to reflect societal expectations and political dynamics in the region.** Although CSR is not legally required and regulative pressures are not evident in the Middle Eastern region, social and political contextual stimuli impact and influence organisations to reflect on those dynamics. The study did not

identify evidence for mimetic or normative pressures for institutionalisation of CSR. Therefore, the institution of CSR in the Middle East is driven by coercive pressures and that represents (and results) in significant agency in shaping how to respond to these pressures for CSR – that consequently affects the practice of CSR in the region and its specific nature as outlined in RQ1.

The specific organisational responses were demonstrated through **the three modes of institutionalisation** presented in Chapter 5. These three approaches share some degree of similarities in the arrangement of the CSR processes utilised by the organisations. However, at the same time they differ significantly from the institutionalisation of CSR identified in the literature.

Previous studies (e.g. Bondy et al., 2012; Maonet et al., 2010) have designed models that could be classified as models for strategic institutionalisation of CSR as they are composed of phases where the organisation of CSR is aligned with the creation of supporting internal level organisational systems, corporate governance, and full alignment with organisational administrative, management and executive level activity, as well as strategic alignment with corporate strategy. CSR agenda is created after a careful consultation with experts on strategy development as CSR is regarded as “a business case” that is “moving away from a societal understanding of CSR that focuses on redressing the impacts of their operations through stakeholder concerns” (Bondy et al., 2012: 282). As result, CSR is focused on “any activity that supports traditional business imperatives” (ibid). That indicates a few significant differences between the process of institutionalisation identified in the Middle Eastern and Western contexts (Table 7.1).

Table 7.1: Differences in Institutionalisation of CSR

Middle East	West
Consult stakeholders in order to identify areas of CSR activity	Consult experts to align CSR with corporate strategy
Focus on stakeholder concerns	Focus on corporate strategy
CSR has a societal understanding	CSR is a business case

The study identified that the examined organisations institutionalise their CSR commitment by following six phases (Appendix 44). Findings in the study suggest that Middle Eastern companies focus predominantly on stakeholder concerns and consult stakeholders in order to identify areas of further CSR activity contrary on previous studies (e.g. Bondy et al., 2012; Maon et al., 2010), who found that in the West companies rely on experts and business consultants that would support the organisation in strengthening its financial position through CSR. Accordingly, CSR of the Middle Eastern companies is designed around areas of potential societal contributions and is focused on achieving positive social impact without clear expectation for direct or indirect positives for the company, while in the Western context CSR has an instrumental role. Thus, CSR in the Middle East has societal dimensions and understanding, while in the West CSR is considered rather a traditional business tool (Maon et al., 2010) that involves in social issue participation only if linked to competitive advantage of the firm (Hillman and Keim, 2001).

7.2.5. Research Question Four

Research question four was concerned with individual-level managerial and stakeholder perceptions of CSR. The study found that the interviewed respondents perceive CSR as a practice focused on societal needs and demands that is externally oriented and aims to improve social well-being and community living conditions. They perceive CSR as a form of ‘giving back’ driven by contextual dynamics that predispose them to focus on community needs and altruistic activity.

Considering that organisational mechanisms for apprehending the environment, processing information, and setting CSR goals cannot be regarded separately from the individuals who possess these capabilities (Maon et al., 2008), it was very important for the study to identify managerial, individual-level perceptions for the phenomenon of examination. Literature recognises that managers interpret the signals sent by the environment (Hegarty and Thianyi, 2000) as that affects the consequent organisational responses (Mitchell et al., 1997; Child, 1972). In other

words, their interpretations form the basis for organisational decisions. Thus, managerial perceptions might be considered “the substratum that business decisions feed upon” (Valle Santos and Garcia, 2006: 752) as in this substratum, managers’ personal characteristics, beliefs and ethics play key roles in defining corporate CSR orientation as well as CSR agenda development and implementation (Maon et al., 2008). Therefore, the examination of their individual-level perceptions was of significant importance for the study and for understanding the phenomenon of examination.

According to the attitude-behaviour theory, the attitudes and intentions of top management with regard to CSR would be likely characteristics of their firms (Zu and Song, 2009). However, the study found that managerial perceptions and attitudes to CSR are driven by their internal moral and ethical prism that is largely a product of the below-mentioned three points. Therefore, **the characteristics of the organisations with regard to CSR are the result of top managerial level perceptions for the phenomenon of research, as their attitude would shape the organisational CSR behaviour**, i.e. the reverse of the Zu and Song (2009) process. This controversy with conventional literature is a result of the institutional approach to CSR, as outlined above.

As presented through the Categories in Chapter 5 and Chapter 6, the study results suggest that the interviewed respondents perceive CSR as a practice focused on societal needs and demands that is externally oriented and aims to improve social well-being and community living conditions. They perceive CSR as a form of ‘giving back’ driven by:

- 1) strong impact of contextual dynamics that predispose them to strong focus on community needs and altruistic activity;
- 2) strong belief that contributing to societal well-being is their moral duty and responsibility as this belief along with the factors outlined in RQ1 lead to the pro-community and socially-oriented approach to CSR and the

socially-oriented view for the role of business in the Middle Eastern region;

- 3) strong influence of religious beliefs and religious responsibilities to provide help and support to less privileged people.

Along with representatives of business, two more stakeholder groups took part in the study – NGOs and GOs. Their perceptions of CSR are identical to the for-profit segment and can be presented as an organisational involvement related to altruistic forms of ‘giving back’ to community. CSR is not considered as a business practice but rather a community-focused initiative with a highly altruistic orientation.

7.3. Part Two – Revisiting the Categories Compared with Academic Literature

The Categories presented in Chapters 5 and 6 are the basis of the Core Categories (CC1 and CC2) constructed in the study. Each Category is a result of the data analysis and comparison of two sources of information – interviews and corporate reports. The purpose of Section 7.3 is to compare the Categories with academic literature and by doing so, to build the substantive theories in the study. Accordingly, the section is divided into two subsections – 7.3.1 and 7.3.2 where the composing constructs of CC1 and CC2 are compared with relevant literature.

7.3.1. Categories Results Part One – CSR in the Middle Eastern Countries

The first part of the results is composed of eleven Categories constructed from the data analysis. The Categories present results that shed light on the operational implementation of the phenomenon under examination in the Middle Eastern organisations. In this section, each one of the Categories is compared and discussed within the dimensions of academic literature in order to strengthen their theoretical sensitivity and raise them to composing elements of ST1 (Charmaz, 2014a).

7.3.1.1. Category 1.1 – Interdependence between Mode of Institutionalisation and CSR Vision and Objectives

The results presented in Chapter 5 suggest clear evidence for institution of CSR in the Middle Eastern organisations as the chapter outlined some of its observable characteristics. This institution represents a meaning of CSR that is largely an organisational response and a product of coercive pressures. As the study found, due to coercive pressures exerted from societal actors, organisations are primarily influenced to engage in CSR. This finding indicates the active role of stakeholders as well as their ability to impact on CSR activity in the region. Moreover, organisations apply a stakeholder-centric approach to CSR that is aligned with stakeholder concerns. A specific emphasis is given to community-related issues that represent a primary focus on the CSR agenda designed and implemented by the organisations. As the study found, stakeholder concerns are the active driving factor around which CSR operations in the Middle Eastern countries revolve, contrary to the theoretical literature that examines this issue and claims that stakeholders are static recipients of CSR activity (see Bondy et al., 2012).

Various models of CSR institutionalisation in organisations were found in the literature. Some of them, such as the studies of Panapanaan et al. (2003) and Polonsky et al. (2005), focus on organisational values and norms to provide conceptualisation of CSR and integrate it in a model for institutionalised approach to CSR. The common characteristic between them is the cyclical approach to CSR (Maon et al., 2008) and the strategic approach towards institutionalisation of CSR (Sharp and Zaidman, 2010). Consistent with Maon et al. (2008), Category 1.1 encapsulates the importance of identifying a clear vision of CSR at the organisational level. Maon et al. (2008), following Schein (1992), state clearly that the process of development of a CSR orientation requires “uncovering long-held, unchallenged assumptions about the ‘right way to do things’”. Translated to the current study, the ‘right way’ is associated with the assumptions held by respondents that are significantly driven by their religious affiliations.

The study also identified the reverse dependence – that the form of institutionalisation affects the CSR vision and objectives of organisations. As result of the data analysis, I interpreted that the main role and responsibilities of the departmental structure engaged with CSR execution shapes the CSR initiatives that will be implemented by the organisation. However, my attempt to identify studies that examine this issue was not successful.

7.3.1.2. Category 1.2 - Interdependence between Mode of Institutionalisation, CSR Strategic Orientation and Attempt for Social Value Creation (SVC)

The study also found that the mode of CSR institutionalisation is linked to the CSR strategic orientation and systematic approach, and SVC. The reverse process was also identified and consists of the attempt for SVC of organisations that influences CSR strategic and systematic approach and CSR institutionalisation.

Basu and Palazzo (2008) were among the first researchers to adopt a process perspective in a study of CSR. According to them, the analysis by which organisations make sense of their CSR operations, understand and interpret them, is essential for the deeper understanding of their nature. Jarzabkowski (2005: 95) calls this process “frameworks of meaning” that enable individuals to understand what is considered right in the organisation. For that reason, it was necessary to understand the processes by which organisations make sense of their CSR initiatives. That understanding resulted in the identification of three modes of CSR institutionalisation and subsequently that the mode of institutionalisation of CSR shapes the strategic and systematic approach of CSR. In other words, organisational sense-making of CSR can be viewed as one of the mechanisms that contribute to the strategic conduct (or not) of CSR activity (Basu and Palazzo, 2008).

Subsequently, I interpreted that the way CSR is institutionalised affects not only how CSR will be strategized (or not), but also the potential social impact and value the organisations will deliver through CSR. As was constructed in the data

and presented in Chapter 5, organisations with non-institutionalised CSR practices are involved in initiatives classified by Jazrabkowski (2005) as ‘unintended’. They are characterised with utilising administrative resources without direct relation to corporate strategy. In the study they were called ‘heterogeneous CSR practices’. As such initiatives were recognised those that have a temporary nature, short-term impact and are not aligned with core business competences. On the other hand, we also have homogenous CSR initiatives that are aligned with the core business competences and aim to support corporate strategy. They are recognised by Jazrabkowski (2005) as ‘intended’.

The study found that organisations attempt to achieve *social value creation* with a strong emphasis on the ‘social’ aspect of it, instead of shared-value creation where the organisation could obtain direct or indirect benefits (Porter and Kramer, 2011). In other words, the economic factor in an organisational attempt to create value for local communities is not necessarily present. The study found that organisational focus is primarily on enhancing living and social conditions of local communities without direct pursuit of economic value for the organisation, while in the conventional understanding of the concept, organisations focus on identifying and expanding the connections between societal and economic progress. However, as stated by Gray (2006), ‘value’ has different dimensions and meanings depending on the context of examination. Therefore, ‘social value creation’ in the study indicates a process of contributing (only) to the well-being and sustainable development of local communities. Attempts at achieving shared-value creation with the meaning given by Porter and Cramer (2011) was identified in five organisations that apply integrated CSR out of the fifty-five for-profit organisations that took part in the study (Appendix 35).

The reverse dependence and connection was also identified in the study – attempt for value creation, CSR strategic and systematic approach and CSR institutionalisation. The tight coupling of all three elements – the attempt for SVC in the meaning identified to this term in the study – affects how CSR will be conducted and institutionalised. The clear intentionality of a social purpose drives

the creation and design of CSR mechanisms that creatively synthesize paradigms within the organisation (Wilson and Post, 2013).

7.3.1.3. Category 1.3 – Interdependence between Sources of Financing CSR and CSR Orientation

As I interpreted, developing CSR vision and objectives based on managerial values and views for CSR in the examined context, could lead to institutionalisation of CSR in a form that combines conventional and religious tools. This finding was presented as interdependence between the two factors. Academic literature in this regard is scarce. Although scholars recognise the importance of funding and budgeting for successful implementation and strategization of CSR (see Bondy et al., 2012; Jarzabkowski, 2005; Sharp and Zaidman, 2010), this factor is rather discussed as a secondary, moderating element in overall CSR strategy, while funding and budgeting of CSR in the current study were identified as some of the primary elements for the organisational CSR orientation. With regard to the religious component of Category 1.3, my attempt to identify relevant literature was not successful.

7.3.1.4. Category 1.4 – Institutionalisation of Stakeholder Power

I interpreted that the selection of stakeholders with regard to CSR is not only based on their impact on business operations (Freeman, 1984) but on the urgency, power and legitimacy of their claims towards the organisation (Mitchell et al., 1997), as well as on the country. Therefore, contrary to academic literature (e.g. Bondy et al., 2012; Gugler and Shi, 2009) community is *not* an objective recipient of a CSR activity in the region but *an active subject* and a driving force for initiatives that has the power to shape CSR in ways beneficial to them.

According to literature, ‘institutionalisation’ indicates the process of giving a particular phenomenon law-like status within an organisation, social system or society as a whole by creating particular bodies responsible for implementing the phenomenon (Meyer and Rowan, 1977) while Powell and DiMaggio (1991: 143)

present ‘institutionalisation’ as “a particular set of social reproductive processes, higher-order constraints imposed by socially constructed realities.” By using institutional theory lenses I interpreted that the political, demographic and social contextual stimuli of the Middle East lead to institutionalisation of community as a stakeholder group with a particular importance and power for the public and private sectors. I also interpreted that the mix of demographic advantage, political and social processes give community (youth) the status of a highly influential and powerful group that affects governmental and private sector decisions.

7.3.1.5. Category 1.5 – Dimensions of ‘Giving Back’

In order to mitigate contextual dynamics associated with the Middle Eastern region local business conducts CSR activity that is associated with the requirements and expectations of external organisational actors. As presented in Chapter 5, business does that by engaging in various forms of ‘giving’ and providing value for local communities. Fifty-three out of sixty-three respondents commented that they perceive CSR as a form of ‘giving back’. The high volume of respondents using the same expression to indicate their attitude to the phenomenon of examination indicated the importance of contributing and being involved in community growth for respondents.

According to Harrison and Boyle (2006), managerial perceptions are often built around mental models, images and metaphors that shape their managers’ understanding and perceptions for the world, their decision and strategies. That was particularly visible in the study through the fishing metaphor used by respondents to indicate their attitude to CSR and the expression ‘giving’ as a synonym for CSR.

7.3.1.6. Four Models of CSR

Models can be understood as “representations of systems that attempt to explain or predict the behaviour of components of interest” (Rouse and Putterill, 2003: 791-792). Over the years, the field of CSR has been enriched by various models

that tried to conceptualise terms such as business ethics, sustainability, and corporate citizenship. The most popular conceptualisation still belongs to Archie B. Carroll and his CSR pyramid (1991) composed of economic, legal, ethical and philanthropic dimensions. Another popular model was developed by Elkington (1997) who introduced the triple bottom line (People, Profit, Planet). Wood's (1991) model for corporate social performance (CSP) was built on the principles of CSR, processes of corporate social responsiveness and the outcomes of corporate behaviour. Burke and Lodgson (1996) focused on five elements – centrality, specificity, reactivity, voluntarism and visibility. Matten and Crane (2005) conceptualised corporate citizenship by distinguishing social, civil and political rights. O'Riordan and Fairbass (2008) developed a CSR model that considers stakeholders, stakeholder dialogue, context, event and management response for their study. In other words, the CSR modelling is characterised by a great deal of heterogeneity (Sharp and Zaidman, 2010).

However, as Pedersen states,

it often remains unclear whether these models represent the values and worldviews of academia or those of the business community. Just like we need normative models of what CSR should be and models that help us to sort the extensive CSR literature, we also have to understand how business practitioners make sense of business–society relationships. (2010: 156)

The present study goes beyond the Pedersen's (2010) call and overcomes potential gaps in previous CSR model-building literature by identifying not only how business practitioners understand the business–society relationship and what they claim to do, but also identifies what they actually do, and what is the outcome of their activities. Moreover, as broadly presented in Chapter 5, the intersection between three of the Categories and the role of Category 1.5 in the construct present four models for CSR conduct divergent from the academic literature discussed above. The four models are discussed below.

7.3.1.7. Category 1.6 – Charity-Oriented Approach to CSR

Twenty-four of the fifty-five for-profit organisations that took part in the study apply a charity-oriented approach to CSR (Appendix 35). Organisations involved in this form of CSR are driven by two reasons: 1) a “habit tactic” concerned with following unconscious or taken-for-granted rules and norms relating to pursuing or conducting a specific behaviour, i.e. support of people in need; 2) an “imitate tactic” presenting either conscious or unconscious mimicry of institutional models, for instance Ramadan-related activities; and 3) a “compliance tactic” as conscious obedience to or incorporation of values, norms, or institutional requirements, for instance governmental programmes that translate to organisational CSR commitment or religious norms (Oliver, 1991).

This approach was called charity-oriented as result of the primary organisational aim behind conducting the CSR. Organisations are focused on providing “a short-term, emotional, immediate response, focused primarily on rescue and relief” (Gunderson, 2006), as this response is not necessarily strategized and pursuing long-term sustainable impact. Contrary to the conventional CSR literature (e.g. Lantos, 2001; Friedman, 1970) this form of community involvement is not considered tantamount to stealing shareholder money. Reasons for that could be found in the executives’ motivations (Sections 7.3.2.2 and Section 7.3.2.3).

7.3.1.8. Category 1.7 – Expanded CSR

Expanded CSR is characterised by a semi-institutionalised form of CSR where organisational commitment is regulated by a specific department. Community needs are still a central focus for organisational CSR activity as they serve as a basis for development of a CSR agenda. An expanded CSR approach could achieve a significant social impact depending on the nature of the initiative applied and organisational CSR commitment. Fifteen organisations were identified applying expanded forms of CSR (Appendix 35). They are involved in CSR driven by factors similar to charity-oriented CSR.

7.3.1.9. Category 1.8 – Semi-Integrated CSR

Eleven organisations apply semi-integrated CSR (Appendix 35). Organisations here are involved in CSR in order to: 1) balance institutional processes as in situations when external expectations and contextual dynamics require corporate response; and 2) pacify and accommodate institutional elements and expectations of multiple constituents as in situations when the government is requiring corporate support or an NGO is requesting financial support as well as due to: 3) a compliance tactic as a form of obedience values and norms (Oliver, 1991).

7.3.1.10. Category 1.9 – Integrated CSR

Five of the examined organisations implement an integrated form of CSR (Appendix 35). This form is strategized and aims to provide economic and social value to the community as well as to the organisation. There is alignment between corporate and CSR vision and objectives. Organisations operate with a wide group of stakeholders, but the community remain the primary one. Organisations are involved in CSR driven by the same factors as in semi-integrated CSR – compliance and accommodation of contextual factors, institutionalised groups, local values and norms (Oliver, 1991). Despite its institutionalised conduct, integrated CSR differs significantly from the instrumental forms of conventional CSR (Carroll, 1991).

7.3.1.11. Category 1.10 – Family-Owned Enterprises

The study found that family-owned enterprises exert CSR initiatives with community orientation. The study did not identify evidence for diverse CSR dimensions and variety of CSR-involved stakeholders. This finding is consistent with Niehm et al. (2008: 331) who found that “family-centred businesses may have unique perspectives of socially responsible behaviour due to family involvement and ties to the community”. As a result of their findings they call the CSR initiatives of family-owned enterprises “community social responsibility (CSR)”. Niehm et al. (2008) identified that due to the tight relationships of owners of family-owned businesses with local communities, owners appear to develop

commitment through enduring community initiatives. That leads to the development of a sense of belongingness to this community and deeply seeded values for guiding their business behaviour and decisions in regard to community needs. Similarly, Fassin et al. (2011) and Dyer and Whetten (2006) also found that owners of family businesses are aware of the concept of CSR and tend to involve themselves in CSR driven by a sense of community belongingness and family values. This is compliant with the study findings.

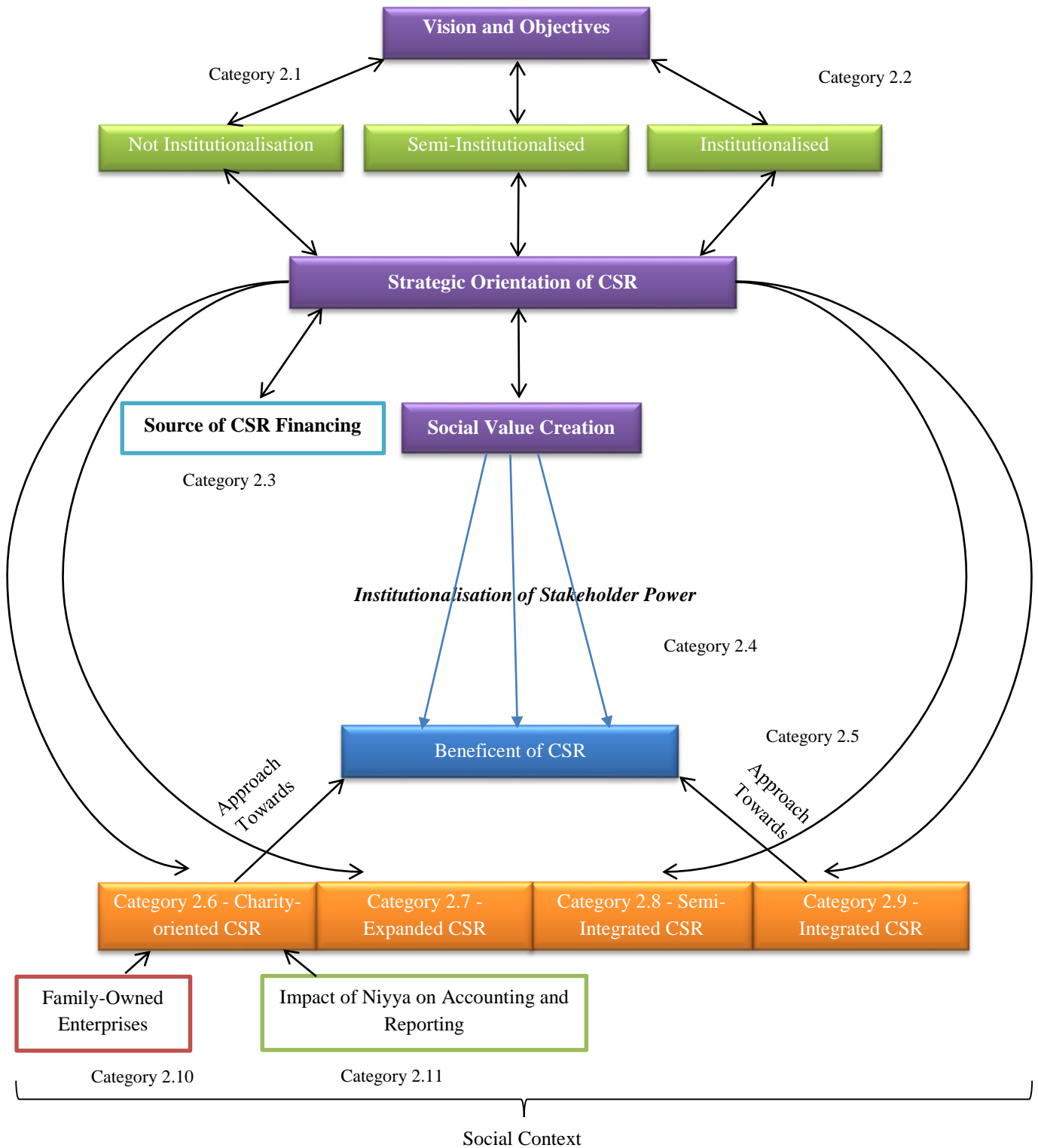
7.3.1.12. Category 1.11 – Impact of Niyya on Accounting and Reporting

Shari'ah law is contractual in its conceptualization, content, and application (El-Hawary et al., 2004). The contractual foundation of Shari'ah law judges the virtue of justice in man not only for his material performance but also for the essential attribute of his intention (niyya) with which he/she enters into contractual relationships and partnerships (Mirakhor, 1989). This intention consists of sincerity, truthfulness and insistence on rigorous and loyal fulfilment of one's obligations. As El-Hawary et al. (2004) state, niyya behind "a contractual obligation is so central to Islamic belief that when the Prophet was asked "who is the believer?" He replied that "a believer is a person in whom the people can trust their person and possessions." The Islamic postulate for intention (niyya) was identified as exerting significant impact on the CSR accounting and reporting practices in the examined organisations. As the results suggested, respondents believe that potential announcement or publicizing of their acts of CSR engagement could downgrade the act of giving. I did not identify literature on this topic.

7.3.1.13. Core Category Operation of CSR (CC1) – Relationship between Categories as a Substantive Theory for CSR in the Middle East

ST1 presented in Figure 7.2 is based on CC1 – Operation of CSR and the Categories after their comparison with relevant academic literature.

Figure 7.2: Substantive Theory for CSR in the Middle East



Source: Author's original work

7.3.2. Categories Results Part Two – Islamic CSR

The six Categories composing CC2 were constructed on the basis of the CSR initiatives and activities identified through the respondents' comments on their experience with the phenomenon of examination, i.e. the categories are grounded in the business practice of the examined organisations. The categories are compared here with relevant academic literature in order to raise them to ST2 (Charmaz, 2014a).

7.3.2.1. Category 2.1 – Relationship between Islamic Principles and CSR Practices

According to literature, moral postulates and ethics embedded in religion are those “principles believed to be set by God” (McDaniel and Burnett, 1990: 110). As a result of the data analysis, I interpreted a set of five theological postulates, four moral principles and four norms that shape the CSR activity in the examined context (Appendix 47). They are compared in Table 7.2 with examples of previous research on this issue with meaning given to them by the authors and in the order of their discussion.

The studies of Khurshid et al. (2014) and Zain et al. (2014) are focused on developing conceptual frameworks based on Islamic principles identified in the Sunnah and the Qur'an and considered by the researchers as representative or related to the conventional understanding to CSR. Khurshid et al. (2014) compares Islamic principles with Carroll's (1991) CSR framework. According to their study, the principles summarised in Table 7.2 are equivalent to the economic, legal, ethical and philanthropic dimensions in Carroll's model of CSR. The study of Zain et al. (2014) discusses Islamic concepts and their relations to CSR. Both of the studies are conceptual and are not based on empirical data. This is the main difference between them and the current study.

To the best of my knowledge my study is the first to examine the Islamic forms of CSR by collecting and analysing empirical data for that purpose. For that reason, I

had to compare my findings with conceptual papers, while the Islamic principles identified in the study are based on analysis and comparison of empirical data, i.e. they are followed by the respondents in their business practices, CSR efforts and development of CSR initiatives.

Table 7.2: Comparison of the Study Empirical Findings and Conceptual Papers on Islamic Principles of CSR

Current Study	Khurshid et al. (2014)	Zain et al. (2014)
Taqwa (piety and fear of God)	Taqwa (God consciousness)	Tawhid (accepting God as the ultimate owner of everything and that man is accountable to God)
Zakat (support of the needy)	Aqidah (belief and faith)	Ibadah (worship)
Sawn (solidarity with the needy)	Ibadah (worship)	Zakat (formal ritual)
Niyya (intention)	Akhlas (morality and ethics)	Taqwa (piety)
Ikhlas (sincerity)	Amanah (trusteeship)	Tahsil (securing of benefit)
Insāniya (humanities and sympathy)	Zakat (alms)	Ibqa (the repelling of harm of injury)
Sadaqah (giving out of compassion)	Sadaqah (charitable donations)	Al-'adl (justice)
Itar (putting others before yourself)	Halal (lawful)	Al-mashlahah (virtue)
Amanah (fulfilling obligations)	Haram (unlawful)	Al-hikmah (wisdom)
Adl (justice)		Al-musawah (equality)
Auqaf (voluntary act of charity)		Al-rahman (compassion)
Ilm (knowledge)		
Tazkiyyah (common good)		
Emara (environmental care)		
Ekhsan (working as a form of worship)		

Moreover, the current study has a broader scope, as the principles summarised in Appendix 47 encompass internal and external stakeholders as part of organisational stakeholder-CSR-management which is the primary focus of my study. For comparison, the studies of Khurshid et al. (2014) and Zain et al. (2014) do not consider stakeholder role but are focused rather on the institutional dimensions behind those principles.

7.3.2.2. Category 2.2 – Impact of Religious Affiliations on Individual Level Decision-Making and Organisational Behaviour

The process of individual ethical decision-making and behaviour is complex and has been an object of extensive empirical research. The most widely accepted and utilised in empirical inquiries are probably the frameworks proposed by Rest (1994; 1983) and Jones (1991). Rest's framework is composed of four stages; the first is called *ethical sensitivity*, which considers *issue recognition* (Jones, 1991) or *moral awareness* (Butterfield et al., 2000). This stage generally involves the individual's recognition of the significance of a specific situation. The second stage is *prescriptive reasoning* that results in identifying the ideal solution to a particular ethical dilemma (Gaudine and Thorne, 2001). The third stage is *ethical motivation* that involves one's formulation of *ethical intention* of whether to comply or not with the ethical judgement made previously (Rest, 1983). As a result of it, the individual will conduct a course of action or *ethical behaviour* – the fourth stage – that supposedly should resolve the ethical dilemma and is a function of the individual's *ethical character* (Gaudine and Thorne, 2001). Despite the significance of Rest's (1994; 1983) work, his model is applicable at the individual level of analysis only.

The current study found that religious affiliations have significant impact on individual level decision-making that consequently, when transmitted to executive-level decision-makers translates to organisational behaviour. As presented in Chapter 6, religious affiliations were identified as impacting on all stages of the decision-making process characterised as a choice of “a preferred

option or a course of actions from among a set of alternatives on the basis of given criteria or strategies” (Wang and Ruhe, 2007: 73). As interpreted in the study, the outcome of this decision shapes organisational behaviour and organisational response to a particular problem.

7.3.2.3. Category 2.3 – Impact of Religious Affiliations on Ethical Character and Organisational Motivations

According to scholars, religious identity and the role expectations that constitute it can be further influenced by contextual factors. For instance, Tittle and Welch (1983) found that when secular moral guides are unavailable or have lost their authority, religious prescriptions enhance their impact on society. Moreover, a harmonious religious context in the social environment usually results in loss of self-identity of the religious person as accountable to unique expectations (Cochran, 1988). Looking deeper into the individual level, Allport (1950) found two dimensions of religiosity that essentially explain individuals’ religious motivational factors – extrinsic and intrinsic motivations. According to him, the extrinsic dimension refers to utilitarian motivations that might underlie religious behaviour, such as material gains, whereas the intrinsic dimension is associated with motivations based upon inherent religious goals (e.g. religious satisfaction itself). Although combinations of intrinsic and extrinsic motivation are common, an individual is predisposed to be more inclined to one of them while performing a specific task (e.g. a religious ritual) (Aydemir and Eğılmez, 2010). The extrinsic dimension of religious orientation might motivate an individual to religious commitment for the objective of achieving a particular social or business goal, while the intrinsic dimension would motivate one to commit to religion for its spiritual objectives (Vitell, 2009; Donahue, 1985).

The results in Chapter 6 suggest that Islam impacts heavily not only on individual-level values, morals and ethical behaviour but also influences the individual’s decision-making, starting from the initial stage of recognising a specific issue as such, the ethical character of the person (Gaudine and Thorne, 2001), until the last phase of executing a specific response (Rest, 1983). As

identified, that impact consequently translates into organisational behaviour. Respondents develop and implement CSR initiatives inspired by Islamic ethical teachings. Islam serves as a foundation upon which organisations develop CSR initiatives and concentrate CSR efforts on specific cases. As the study identified, respondents' desire to satisfy God and fulfil their religious duty translates into a CSR activity based on religious approaches in Islam, as the feeling for religious duty creates a sense of moral obligation to be involved in ethical behaviour. This creates a specific ethical character driven by religious affiliations that connects and interacts with the surrounding environment in a specific manner. Thus, organisational CSR activity becomes a way to fulfil one's religious duties.

7.3.2.4. Category 2.4 – Impact of Hazanat on Organisational CSR Initiatives

The study identified that respondents' desire to satisfy God and fulfil their religious duty translates into a CSR activity that is based on Islamic religious postulates. The feeling for religious duty creates a sense of moral obligation to be involved in specific ethical behaviour and project a specific ethical character as discussed above. Thus, the study interpreted that the knowledge and belief dimensions of religious role expectation serve as a foundation and have a direct relationship to organisational ethical behaviour so one can fulfil this obligation. As stated in Chapter 6, for that reason organisations involve themselves in a specific set of CSR initiatives that would give them the opportunity to fulfil their religious obligations. As a consequence, local CSR initiatives, orientation and focus are significantly different from CSR initiatives in the West. That demonstrates the strong influence of Islam on executive-level decision-making, organisational CSR practices and organisational ethical behaviour. My attempt to identify literature on this issues was not successful.

7.3.2.5. Category 2.5 – Islamic Initiatives for CSR Practices

The in-depth study of the Islamic teachings (based on the Qur'an and Sunnah) paves the way for understanding the reasons for implementing socially

responsible behaviours. Considering the nature of this study, it will not be completed without examining the Islamic textbooks and their relation to CSR. This reading and comparison with the study results were performed in accordance with the research approach applied in order to avoid preconception (Charmaz, 2006). Examples are discussed below.

Community initiatives: The Qur'an teaches one to be righteous and avoid falsehood and have utmost concern in the matters of mutual contact, being kind to the needy and poor, especially orphans, and attitude towards fellow beings.

Do good to parents, kinsfolk, orphans, those in need, neighbours who are near, neighbours who are strangers, the companion by your side, the wayfarer (you meet) and those whom your right hands possess: for Allah loves not the arrogant, the vainglorious. (Nor) those who are stingy, or enjoin stinginess on others, or hide the bounties which Allah has bestowed on them” (An-Nisaa', 4: 36-37).

The study results suggest that community is the stakeholder group with a primary importance for the CSR activity in the examined context.

Investment in employees and employability: The above-mentioned verses of the Qur'an state in an explicit manner that the workers should be treated with kindness. One of the Prophet's sayings is: *“Do not give them work that will overburden them and if you give them such task then provide them assistance”* (Sunnah Al-Bukhari). One of the important aspects of kindness and providing assistance to your workers in the modern era is to invest in their human capital development so that they may be able to translate into financial capital for their own and their society's benefit. Employee-related programmes and initiatives focused on enhancing employability in local communities are a central focus for the CSR activity in the region as suggested in the study results.

Entrepreneurship programmes: Islam enables and encourages entrepreneurship. The Prophet was asked what type of earning was best, and he replied: *“A man’s work with his hands and every (lawful) business transaction.”* (Sunnah Al-Tirmidhi).

Knowledge and talent development: Islam gives equal rights to both men and women to acquire knowledge at any point in their lives. The Word revealed of the Qur’an was *“Read”* (Qur’an, 96:1). In another verse, it has been said that Muslims should pray: *“My Lord! Enrich me with knowledge.”* (Qur’an, 20:114). One of the Prophet Muhammad’s sayings emphasises acquiring knowledge and personal development as: *“Seek knowledge from the cradle to the grave”* (Sunnah Al-Bukhari), and in another he says, *“The acquisition of knowledge is compulsory for every Muslim, whether male or female”* (Sunnah Al-Bukhari). The examined companies pay significant attention to knowledge-related CSR programmes. Secondary data results suggest that they invest in distributions of books, learning materials, building of schools, internship programmes and scholarships.

Environmental Protection: A number of aspects of environmental protection such as water conservation, tree plantation, cleanliness, and animal protection have been specifically emphasised in Islam: *“O Children of Adam! Look to your adornment at every place of worship, and eat and drink, but be not prodigal. Lo! He loved not the prodigals.”* [Qur’an, 7:31].

Charity is an essential part of Islam. The Qur’an emphasises that charity should be given in *“prosperity or adversity”* (Qur’an, 3:134), without fear for one’s wealth, and having faith that a sincere act of giving can only bring abundant reward to the giver: *“those who spend their wealth in Allah’s cause are like grains of corn which produce seven ears, each bearing a hundred grains”* (Qur’an, 2:261). That results in establishing charity – zakat – as one of the pillars of Islam.

Volunteering: Islam has also given a lot of importance to volunteerism. The Qur'an states, "*Help ye one another in righteousness and piety, but help ye not one another in sin and rancour*" (Qur'an, 5:2). Volunteering and giving one's time is considered as a high form of altruism considering the scarcity of this resource. Volunteerism was identified as a practice applicable in all for-profit organisations that took part in the study, and in all four NGOs.

Ethics: The study found evidence for ethical initiatives in the Shari'ah-compliant services, stakeholder management and communication performed by the organisations. The Qur'an is replete with messages about ethics. It emphasises niyyah and actions as per God's teachings or instructions. The following verse sums up ethical behaviour:

Righteousness is not that you turn your faces towards the east or the west, but [true] righteousness is [in] one who believes in Allah, the Last Day, the angels, the Book, and the prophets and gives wealth, in spite of love for it, to relatives, orphans, the needy, the traveller, those who ask [for help], and for freeing slaves; [and who] establishes prayer and gives zakat; [those who] fulfil their promise when they promise; and [those who] are patient in poverty and hardship and during battle. Those are the ones who have been true, and it is those who are the righteous." (Qur'an, 2; 117)

The comparison of the Islamic CSR initiatives constructed in the data analysis (Chapter 6) with relevant Islamic books and comparison with the results of secondary data analysis (Chapter 5) identify that the Qur'anic and the Sunnah religious postulates have been followed either directly or indirectly in organisational CSR initiatives development.

7.3.2.6. Category 2.6 – Impact of Islam on CSR Orientation

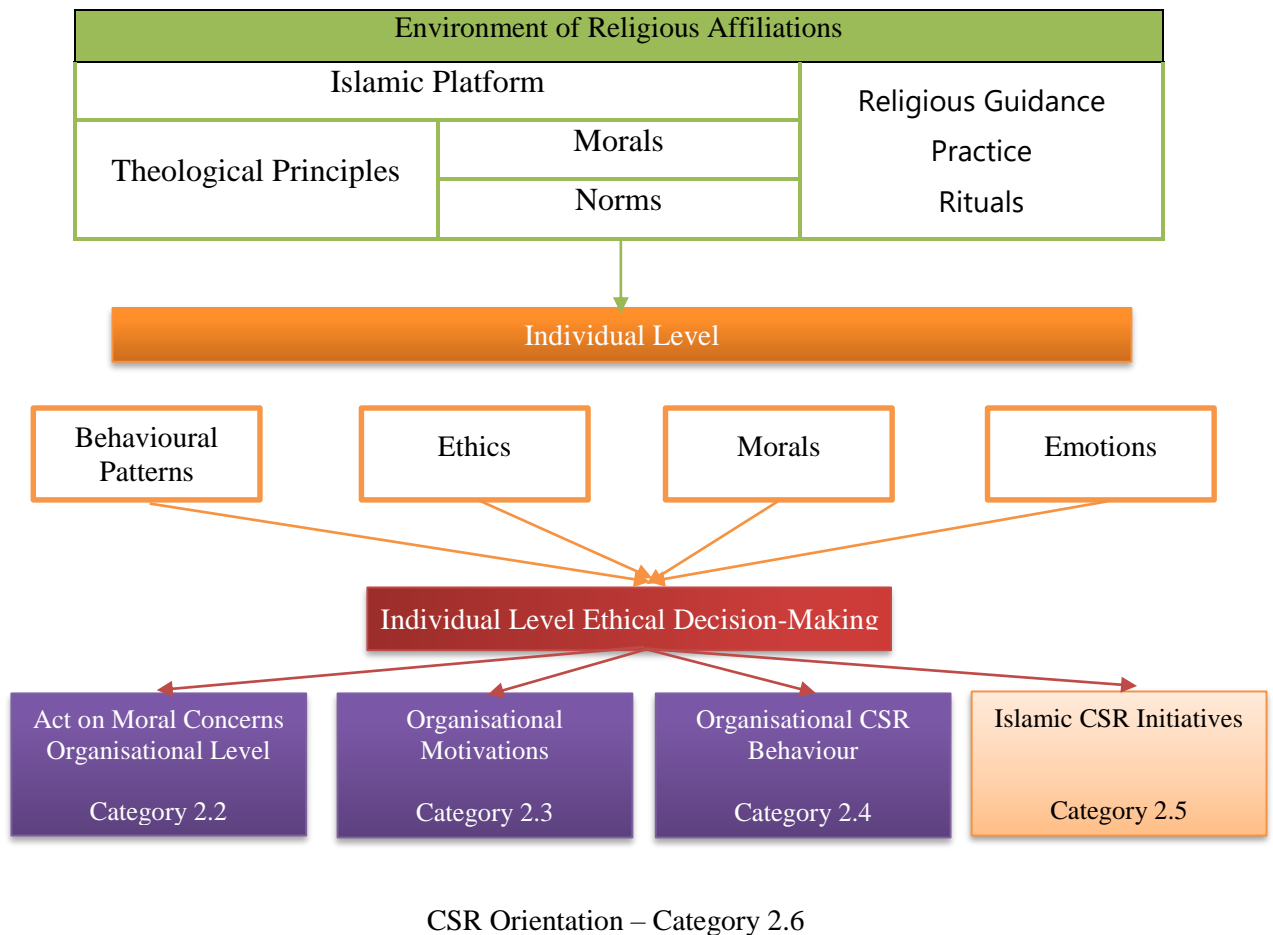
The study found that Islam exerts significant impact on the CSR orientation of the examined organisations. However, previous studies are primarily focused on impact of culture on CSR orientation (e.g. Burton et al., 2000; Becker-Olsen et al.,

2011) which is not a matter of concern for the current study. Although, Angelidis and Ibrahim (2004) identified a strong relationship between the degree of religiousness and attitudes toward the economic and ethical components of CSR, the research on impact of religion on CSR orientation is an underdeveloped area.

7.3.2.7. Core Category Islamic CSR – Relationship between Categories as a Substantive Theory for Islamic CSR

As result of the comparison of the Categories with literature, the substantive theory for Islamic CSR (ST2) presented in Figure 7.3 was constructed.

Figure 7.3: Substantive Theory for Islamic CSR



Source: Author's original work

7.4. Part Three – Parallels and Divergence of the Substantive Theories and Categories from the Academic Literature

The third part of the chapter provides further interpretation of the empirical findings and discussion on the parallels and divergences of the Categories and the substantive theories from the academic literature. They are presented below.

7.4.1. Substantive Theory for CSR in the Middle East

With regard to ST1, the variations and multidimensional forms of CSR theoretical concepts were summarised by Crane et al. (2013) who identified six core characteristics that are common across most of the CSR definitions. Their characteristics are used to discuss and contrast ST1 and the Categories with academic literature. The Crane et al., (2013) characteristics are:

- 1) CSR is primarily voluntary
- 2) It focuses on internalizing or managing externalities of the product or service provided
- 3) It has multiple stakeholder orientation
- 4) There is an alignment of economic, social and environmental responsibilities in business activities and decision-making
- 5) It is aligned with business practices and values
- 6) It is beyond philanthropy and focuses on operational considerations.

With regard to the findings presented in previous chapters and broadly discussed above, the study identified a different concept for CSR that is divergent from the conventional understanding as presented in the theoretical literature and summarised by Crane et al. (2013). The study found that at the operational level, CSR in the examined context shares only one similarity with the conventional understanding for CSR conceptualisation and that is the *voluntary nature* of CSR. CSR is not required by law in the Middle East and organisations are not legally obliged to participate in CSR activities. However, involvement in CSR is usually

expected and desired by communities in the Middle Eastern region as outlined in the academic literature (Carroll, 1999).

Continuing with the Crane et al. (2013) characteristics, the study identified that the second point is not evident in ST1. The primary CSR focus is on community needs and building a sustainable community in a manner that is in accordance with societal needs for growth, development and well-being. The corporate response to these factors is not aligned with corporate objectives and business practices as the response provided under the form of CSR is externally oriented, usually targeting a limited number of stakeholder groups (primarily community, as broadly presented in Chapter 5). The response has an altruistic nature with no indication of strategic orientation as in the meaning given by Porter and Cramer (2011). Factors such as products and services (Crane et al., 2013) and their management with regard to externalising them as part of CSR were not identified as a CSR practice in the examined organisations.

As presented in Chapter 5, the study findings identified divergence between what organisations claim they do in their corporate reports and what they actually do as part of their CSR commitment. The secondary data analysis identified that organisations operate with a range of multiple external and internal stakeholders as they develop and implement CSR responses based on their expectations and needs (see Chapter 5, Section 5.3.1). However, the primary data analysis identified that the number of organisations that actually consider going beyond community-stakeholder related needs and concerns and operate with a broader range of stakeholders as part of their CSR initiatives is significantly lower (Appendix 34). Consistent with critics of using corporate reports as a source of information (Ullman, 1985), the study identified that comparison with primary data was essential for overcoming their weaknesses. I explain this divergence of information with the fact that thirty-nine of the for-profit organisations operate with non-/semi-institutionalised forms of CSR (Appendix 28) and their CSR activity is usually conducted with departments that are not directly associated with CSR specialisation – such as corporate communications, public relations and

marketing. As a result, we have corporate reports that suffer from significant bias in the reporting of organisational actions and outcomes (Duriau et al., 2007). As explained in Chapter 3, the study overcame this weakness by collecting primary non-evaluative data (Fiol, 1989).

Continuing with the Crane et al. (2013) characteristics, the conceptualisation of CSR in the current study identifies primary focus on community-related needs and concerns as a form of CSR activity in the Middle Eastern region. As presented in Chapter 5, semi-integrated and integrated forms of CSR consider a broader range of stakeholder engagement as employees, government, NGOs, and environment. Additional stakeholder groups such as shareholders, customers and suppliers and their related concerns were considered a matter of CSR interest in five organisations that apply integrated CSR (Appendix 35). Therefore, CSR conceptualisation should not be restricted to the classification of stakeholder variety for CSR. As the study identified, CSR activity could be conducted and performed with limited CSR orientation and stakeholder focus as well. Reasons for this were discussed in Category 1.4 where the study presented contextual factors and stimuli that lead to the institutionalisation of community as a primary group of importance.

Academic literature suggests that CSR activities are based predominantly on strategic alignment rather than on institutional pressure (Bondy et al., 2012) contrary to the study findings which suggest that the CSR initiatives developed and implemented by the examined organisations are focused on complying and moderating specific contextual dynamics and institutional pressures (Category 1.4) as strategic alignment with corporate objectives is less visible and emphasised in organisational CSR agenda. In other words, an alignment of economic, social and environmental responsibilities in business activities and decision-making (Crane et al., 2013) is not necessarily the case in the examined organisations.

As the study found, the conventional understanding for “strategic CSR vision and objectives-institutionalised CSR” is not necessarily the case for all organisations either as organisations could have various perceptions and views for what CSR is and what CSR consists of. These perceptions impact on the overall CSR vision and objectives of the organisations (and as identified, on the variety of modes of institutionalisation as well – Category 1.1). Moreover, as was presented through Category 1.2 (Section 7.3.1.2), the study identified that participants use the term ‘strategy’ to indicate actual processes and functions in their CSR commitment (Whittington, 2006), instead of considering ‘strategy’ as a form of corporate property (Sharp and Zaidman, 2010). That result diverges from the academic CSR literature forms of strategization (Jazrabkowski, 2005).

Academic CSR literature suggests that counter to conventional wisdom, economic and social value creation are interdependent rather than mutually exclusive (Porter and Kramer, 2006). However, economic and social value in the study were identified as having different dimensions. As Category 1.2 presented, respondents characterise ‘value’ in the context of CSR as a form of contributing to community (i.e. it has social dimensions) and the economic element is missing in this characteristic. This finding was further supported with the understanding of niyya (Category 1.11), and for the lack of pursuit of economic benefits behind organisational CSR activity. This finding is particularly visible in the context of IFIs who utilise CSR funds collected on the basis of religious principles and in the case of family-owned enterprises that were identified as significantly influenced by religious values (Category 1.10). The mode of the generation and collection of religious funds excludes potential strategization of the CSR operations supported by them (Category 1.3).

The last, sixth characteristic in the Crane et al. (2013) study is concerned with philanthropy and its focus on operational considerations. This form of philanthropy is recognised in literature as strategic or corporate philanthropy (Porter and Cramer, 2002) where philanthropic and business units join forces to develop philanthropic strategies (Smith, 1994) in order to create mutually

beneficial opportunities for the organisation and for the recipients of their philanthropic initiatives (Bruch and Walter, 2005). However, the main difference between corporate philanthropy and the CSR model (Categories 1.6, 1.7, 1.8 and 1.9) is that “philanthropy is much more long-term, more strategic, focused on rebuilding” (Gunderson, 2006) and is usually aligned with corporate objectives (Rumsey and White, 2009) while the four models implement activity that does not fall within this description. Therefore, with regard to the CSR activity identified in the four models, philanthropy cannot be considered.

Another significant difference between corporate philanthropy and the current study is the motives for CSR involvement. According to the study results, organisations may be involved in CSR driven by coercive pressures in order to mitigate social expectations and political dynamics in the region (DiMaggio and Powell, 1983). That consequently affects the practice of CSR in the region and the specific nature of CSR initiatives practised by the organisations. Governmental objectives and planning become and are usually used for development of CSR initiatives. Driven by coercive pressures, organisations are involved in CSR practice inspired by the social needs of local communities and religious dogmas. This pressure shapes the way organisations would ‘give back’ to communities (Category 1.4) and how they will practise this act of ‘giving’ (Category 1.5).

This discussion demonstrates that the conceptualisation of CSR in the Middle Eastern region differs from the business case of CSR observable in the Western country context and from the conventional understanding of CSR theory (Crane et al., 2013). The Categories composing ST1 and discussed above are constructed around factors that shape the CSR activity in the region. Potential changes in their properties would affect the CSR model applied by the organisation.

7.4.2. Substantive Theory for Islamic CSR

National culture and organisational culture are not mono-dimensional elements but psychological models constructed by the interaction with other human-made components such as religion, legal system and political system (Hunt and Vitell,

2006; Vitell et al., 1993). And although national culture is not a matter of concern for the study, religion was identified as having the power to shape individual-level ethical behaviour, organisational culture and behaviour.

The findings discussed above show that Islam impacts heavily not only on individual-level emotions, values, morals and ethical behaviour but it also influences individual-level ethical decision-making, starting from the initial stage of recognising a specific issue as such until the last phase of executing a specific response (Category 2.2). Further, the study found that individual-level ethical conduct and impact of Islam strongly influences organisational-level decision-making processes and ethical behaviour (Category 2.2). The examined organisations were identified as developing and implementing CSR initiatives that are in accordance with Islamic religious requirement for ethical behaviour (Category 2.4). Islam serves as a foundation and a base (Category 2.1) upon which examined organisations develop their CSR initiatives and concentrate their CSR efforts on specific cases (Category 2.4). These cases lead to obtaining *hazanat* (Category 2.3). The promise of obtaining it was identified as a main driver and motivation for conducting ethical operations, CSR initiatives and concentrating CSR efforts on these three specific cases discussed above (Category 2.3). It was also found that Islam impacts on CSR orientation (Category 2.3). As result of these factors, a set of CSR initiatives implemented by the organisations (Category 2.5) were identified. That resulted in the construction of ST2.

7.5. Interpretation of Findings

This section provides interpretation of the main findings in the study. The findings are presented and discussed in sections suggesting the theoretical areas of potential contribution. The findings are based on the comparison of the Categories with academic literature discussed above. The comparison between findings in this study and related academic literature leads to the development of the main argument of the study (see Section 7.6).

7.5.1. Findings Related to Literature on Social Role of Business

Finding 1 – Social Role of Business

The view of the social role of business identified in the study findings contributes to the confusion outlined in Dunning (1995) with regard to the consensus in the CSR definitional components. Although some form of consensus exists (Crane et al., 2013), the study raised the question of where the scope of CSR and the social role of business ends and individual- or governmental-level responsibility begins (similarly to Dunning, 1995). This question is based on the findings presented in Chapters 5 and 6 and discussed above through the highly pro-community and socially related CSR initiatives of the companies that indicate that the lines between individual-level responsibility for societal well-being and governmental responsibility in this regard are very blurred in the scope of the social role of business. Therefore, the study adds to the mounting concerns about business taking on the activities of governments and individuals in its role of a citizen (Matten and Crane, 2005).

7.5.2. Findings Related to Stakeholder and Institutional Theory Literature

Finding 2 – Stakeholder

According to literature, only one stakeholder group is considered as influential in developing countries – shareholders (Jamali, 2007; Baughn and McIntosh, 2007; Jamali and Mirshak, 2007), whereas civil society, NGOs and non-traditional stakeholders such as communities and environment are given minimum importance (Jamali, 2008). The current study identified the high importance of community as a stakeholder group of primary importance for CSR commitment in the region who has the institutionalised power and capacity to drive internal country dynamics. The study also found that NGOs and government-inspired CSR practices are directed towards community development which confirms further the importance of community as a stakeholder group. Contrary to previous

research, the study found that shareholders were considered important only in the case of Category 1.9 – Integrated CSR.

Finding 3 – Stakeholder Institutionalisation

As discussed above, the term ‘institutionalisation’ refers to the process of giving a particular phenomenon law-like status within an organisation, social system or society as a whole by creating particular bodies responsible for implementing the phenomenon (Meyer and Rowan, 1977). The study found that the political, social, demographic and religious context of the Middle East leads to institutionalisation of community as a stakeholder group with a particular importance and power for public and private sector operations. I interpreted that the mix of demographic advantage, political and social processes give community the status of a highly influential and powerful group that has the potential to affect governmental and private sector decisions. Moreover, I identified that the institutional power of community gives them the status of a driving force around which organisations shape their CSR initiatives. Thus, the study previous research where community in developing countries have been considered the object of CSR initiatives rather than an active subject driving organisational CSR agendas (Gugler and Shi, 2009).

Finding 4 – Stakeholder Power

The study found that stakeholder power is a construct composed by stakeholder ability to influence organisational operations (Mitchel et al., 1997) as well as country stability. Driven by contextual stimuli observable in the Middle Eastern environment, the study identified a particular set of social reproductive processes and higher-order constraints imposed by socially constructed realities (Powell and DiMaggio, 1991) that give different dimensions to stakeholder power.

7.5.3. Findings Related to CSR Literature

Finding 5 - CSR Behaviour

According to the literature, CSR behaviour could be an indication of the way an organisation treats its employees in respect of wages, benefits and working

conditions; the way it treats its customers in regards to quality of products/services, pricing and advertising; the way it interacts with its business partners and suppliers; governmental authorities and legal framework of the country of operations; the way it treats local communities in regard to volunteering and charity campaigns, protection of environment (Rowley and Berman, 2000; Waddock and Graves, 1997).

As discussed above, the study found that the conventional understanding for CSR differs significantly from the one identified in the study. As CSR behaviour in the Middle East is largely perceived, this form of organisational behaviour is externally oriented, aims to provide response to societal needs and demands and contributes to the development of local communities. Stakeholders with a secondary importance for CSR such as employees, NGOs and GOs are also considered but mainly in more strategically oriented forms of CSR (Semi- and integrated CSR, Categories 1.8 and 1.9).

Finding 6 – Coercive Pressures for CSR Behaviour

Organisations are not autonomous units existing independently, able to develop and implement strategy in isolation from the external environment but are rather exposed to institutional pressures central in the formulation of the organisational actions (Hoffman, 2001). These pressures caused by contextual stimuli drive organisations to compete not only for profits and resources but for political power and institutional legitimacy that would eventually lead to social acceptance and economic stability of the firm (Powell and DiMaggio, 1991). Thus, organisational behaviour could be explained through the different contextual systems composing a particular environment that drive organisational decision-making processes in a specific direction (Johns, 2006). As a result, the study identified that the coercive pressures exerted from the contextual factors outlined above result in both formal and informal influences on the organisations to reflect societal expectations and political dynamics in the region. The outcome is execution of CSR behaviour that would be compliant with those pressures and would be able to mitigate their impact on organisational operations.

Finding 7 – Prerequisites for CSR Acceptance

According to Campbell (2007), organisations are less likely to act in socially responsible ways when they experience relatively weak financial performance, or operate in a relatively unhealthy economic environment. He also states that organisations are predisposed to such a behaviour when there are “strong and well enforced state regulations in place” (p. 955). Moreover, Campbell (2007) suggested that a system of well-organized and effective industrial self-regulation and private, independent organisations, including NGOs, social movement organisations, institutional investors, and the press, in the environment who can monitor organisational behaviour and are essential for CSR acceptance.

However, as the study found, weak economic conditions could actually increase demand for CSR initiatives from community and CSR cannot be affected negatively by weak financial performance of the organisation. The study also found that legal and normative prerequisite are not of importance for CSR in the Middle East since CSR is not legally required and yet is widely practised in the region. The study also contradicts Campbell (2007) by highlighting that labour union, human-rights protection organisations are not present in the region and yet organisations are involved in CSR. Moreover, NGOs have social functions only that differ from the meaning given by Campbell (2007).

Finding 8 – CSR Institutionalisation

Literature suggests that CSR could be institutionalised only in a strategic manner. The study found that there are three manners of CSR institutionalisation implemented in the researched context – not institutionalised, semi – and institutionalised CSR. Moreover, respondents have a different notion of ‘strategy’ that is used to indicate a process, rather than a corporate property (Sharp and Zaidman, 2010). Differences in the notion of strategy are prerequisite for the divergent forms of ‘strategization’ and institutionalisation identified in the study. A factor contributing in this regard is the different notion of value held by respondents. As found in the study, value has social dimensions and indicates corporate contribution made to community.

7.5.4. Findings Related to Organisational Behaviour Literature

Finding 9 - Islam and Organisational Behaviour

Rest's (1994; 1983) model is limited to the individual level of analysis and does not formulate how the *ethical behaviour* and one's *ethical character* would translate to organisational ethical behaviour. This study builds upon Rest's (1994; 1983) studies and adds to his model by identifying that the *ethical character* of executive directors shapes the course of action and *ethical response* that the organisation undertakes to solve a specific dilemma.

7.6. Using Categories in ST1 and ST2 to Support the Different Notion and Practice of CSR

The discussion above and the findings outlined demonstrate that the conceptualisation and practice of CSR in the Middle Eastern region differs from the business case of CSR observable in the Western country context. The business case of CSR (Husted and Allen, 2007; Zadek, 2006) is focused on consideration of social or environmental concerns the addressing of which could contribute to the financial position of the business (Porter and Kramer, 2006). Whilst this form of CSR involvement may result in a positive outcome for society, the ultimate goal is to protect the corporation, enhance its competitive advantage, reduce costs and risk, build strong reputation and image and generate win-win outcomes (Bondy et al., 2012). Therefore, the priority for using CSR is to create value as defined in the dominant market and financial logic. This form of CSR is closely aligned with traditional corporate practice where a social or environmental issue would be assessed in regard of how well it supports traditional business concerns such as profitability of the organisation.

The distinction of CSR in the Middle East and the Islamic CSR constructed in the study (as well as broadly compared) with academic literature, lead to the following argument. Despite the common consensus from the public regarding the need for CSR in the current business environment and the increasingly popular trend among businesses to practise CSR, CSR is still in a process of development

and evolution from a scholarly perspective where academia is yet to reach consensus on what CSR exactly is, and from a business practice where business practitioners are yet to develop balance between corporate and social priorities. This observation is supported by the well-known comment of Votaw (1972: 25) that “corporate social responsibility means something, but not always the same thing to everybody” and whose words are valid even nowadays, especially for the case of the Middle Eastern region the unique characteristics and environment of which are prerequisite to the construction of ST1 based on the specification, requirements and needs of local actors and contextual particularities. Another evidence for the divergent notion of CSR compared with the Western literature was the construction of an empirically based form of Islamic CSR – ST2.

The Categories constructed in the study (Chapter 4) and presented in Chapters 5 and 6 as well as the findings based on these categories discussed in the current chapter, support the idea of a different notion and practice of CSR in the Middle Eastern region.

Grounded Theory Categories

The Categories constructed from empirical findings with regard to operational CSR support the argument described above as follows: CSR in the examined Middle Eastern organisations is perceived as a form of community support that is designed and aligned with the needs and priorities of local communities (Category 1.1). Other stakeholder concerns are secondary (Category 1.4) or more commonly, are not a matter of CSR consideration. CSR is institutionalised in a manner divergent from the conventional understanding of institutionalisation of CSR (Category 1.1) by applying three forms of institutional approach to CSR. Strategization indicates corporate approach to operationalization of CSR that aims to achieve a form of value having social dimensions and in limited cases could lead to economic dimensions too (Category 1.2).

Differences in the notion and practice of CSR become specifically visible when religious funds are utilised to support CSR organisational practices (Category 1.3) as these funds are collected on the basis of following religious responsibilities for supporting people in need or religious forms of financial punishment (Category 1.3). Consequently, their utilisation in the CSR strategization (Category 1.2) leads to different orientation and outcome of the CSR practices (Category 1.3). As result, CSR initiatives supported with religious funds will not be accounted, reported or measured (Category 1.11). Influenced by the religious postulate of niyya, even organisations that do not use religious funds could refuse to announce or publicise their forms of community support (Category 1.11). Factors associated with supporting CSR with religious funds and not publicizing and accounting CSR information is particularly relevant to family-owned enterprises (Category 1.10) where family values and sense of belongingness to local communities play a significant role for the pro-community and altruistic forms of involvement of these organisations.

As a result, Middle Eastern organisations apply four forms of CSR involvement (Categories 1.6, 1.7, 1.8 and 1.9) by applying a community-related approach of giving' (Category 1.5) that could be in the form of monetary resources, time, long-term investment (e.g. hospitals, schools, internships, entrepreneurship programmes and so on) or short-term investment (e.g. activities during Ramadan) depending on the factors outlined in the Categories above. All four forms of CSR consider community as a stakeholder group of primary importance as result of the institutional power hold by this group (Category 1.4). Following contextual dynamics in the region that have law-like status – political, social and demographic – stakeholder power indicates community ability to influence operations on organisational level and stability of a country level (Category 1.4).

The Categories constructed from empirical findings with regard to importance of Islam add to the argument described above as follows: With regard to CSR activity, the Islamic religion as a contextual factor determining social processes was identified as exerting significant influence on organisational

culture (Category 2.2). Islamic postulates, norms and morals (Category 2.1) were identified as significantly influencing individual-level decision-making abilities starting with the building of an internal moral prism for recognition and identification of issues as such (Category 2.2) until the formulation and execution of a specific ethical response to the issue (Category 2.2), the motivation to act upon or not for solving of the issue (Category 2.3) as ultimately that leads to the establishment and construction of ethical character driven by religious affiliations (Category 2.3).

Executed by the top managerial level, this impact translates to organisational behaviour (Category 2.2). The impact of religious affiliations turns into motivation for organisations to execute CSR activities (Category 2.3) as organisations are perceived as tools for fulfilling religious duties (Category 2.3). For that purpose, organisations focus on a few specific initiatives (Category 2.5) that would allow participants to fulfil their religious duties and obtain *hazanat* (Category 2.4). This drive leads to emphasis of specific forms of CSR (Category 2.4) that give them the status of a 'rule' for CSR (Category 2.4) as practically other forms of CSR are rather not likely to occur (Category 2.5). As a result, we observe Islamic CSR practices with altruistic orientation highly influenced by Islam (Category 2.6).

Main Findings

To summarise, business in the Middle Eastern region is considered as responsible for community well-being and sustainable growth as the boundaries between institutional and business responsibilities in this regard are rather unclear (Finding 1). As result of the inability of governmental power and local authorities to be the primary provider of societal goods, business is expected by local communities to undertake their responsibilities. This effect is particularly strengthened by a specific set of contextual stimuli that lead to the institutionalisation of community (Finding 2) as a primary stakeholder group of importance for the CSR activity in the region (Finding 3). That institutional shape gives community the power to drive changes at organisational and country levels (Finding 4). In order to mitigate

the impact of contextual stimuli, organisations are involved in CSR activity (Finding 6), that is focused on building a strong and sustainable community (Finding 5) by utilising all forces and capabilities of the organisations, including employees that usually take part in volunteerism by performing not-for-profit activities in for-profit organisations. Local organisations operate in an environment that is significantly different from the Western world and institutional forces that are well-observable and established in the West are not usually present in the Middle East (Finding 7). As result this leads to different institutional drivers for CSR acceptance. The findings suggest that CSR in the examined organisations is institutionalised in a manner that corresponds and complies with extrinsic organisational factors as that leads to different notions for 'value', 'strategy' and, correspondingly, the overall strategization behind organisational CSR activity (Finding 8). Impact of religion was identified at individual and organisational levels of analysis. Driven by these fundamental factors and religious affiliations, the business environment becomes a place for fulfilling individual religious responsibilities (Finding 9).

7.7. Chapter Summary and Conclusion

This chapter has provided an interpretation and discussion of the empirical findings from primary and secondary sources of information. The chapter has reflected on the research findings with reference to the original research questions presented in Chapter 3. The research approach of the study was utilised to illustrate patterns and relationships useful in understanding the phenomenon of examination. The Categories have been used to connect the empirical reality to the constructed substantive theories. They were compared and contrasted with relevant theoretical and empirical studies in order to comprehend and conceptualise the phenomenon of investigation. Similarly, the constructed substantive theories were refracted and discussed through the lenses of academic literature in accordance with the research approach applied. The categories, relationships, substantive theories and the comparison to the relevant literature have resulted in presenting some of the study findings discussed in Section 7.5. Section 7.6 has drawn attention to the different notion of CSR in the examined

region compared with the Western literature and to the development of the main argument in the study. This argument was supported with the findings presented in the chapter.

CHAPTER 8: SUMMARY AND CONCLUSION

8.1. Introduction

As result of the study, the research aim and objectives presented in the introduction were achieved and the research questions formulated during the course of the study were answered. The results and findings were presented in the corresponding chapters of the study. The purpose of this chapter is to reflect on the overall study and the preceding chapters. This is done in Section 8.2. In Section 8.3 and Section 8.4, I discuss the contributions of the study made to relevant academic literature and business practice. The chapter continues with evaluation of the research following a set of externally-imposed criteria presented in Section 8.5 and Section 8.6. Following this, the chapter highlights the limitations of the study and offers specific recommendations for further research before drawing some final conclusions.

8.2. Review of the Chapters

The study has qualitatively explored the phenomenon of CSR in the business, private and public sectors of three Middle Eastern countries, namely Saudi Arabia, Oman and the United Arab Emirates. It has focused specifically on local, Middle Eastern organisations established and operating in the region given the lack of attention afforded to this group in existing studies. Corporate reports and qualitative interviews have been used to collect data and the overall research process, including the final thesis have been informed by following Grounded Theory strategy.

Chapter 1 introduced the study and outlined the overall structure of the thesis. Following this, Chapter 2 focused on reviewing empirical literature relevant to the researched phenomenon. In doing so, the chapter aimed to acknowledge the

complexity of the phenomenon and to conceptualise the relationship between business and society in different contexts. As result, the literature review concluded that CSR is a region-specific practice that cannot be generalised within socially, economically and politically diverse regions. However, this review also resulted in the identification of significant gaps in academic literature and insufficient research on CSR in the Middle East. I identified that academia and business still lack a thorough understanding of what CSR means for external and internal organisational stakeholders, how CSR is practised by Middle Eastern organisations and what factors contribute to the current shape of CSR in the region.

Consideration of these factors coupled with a strong personal interest in the topic, have led to the formulation of a specific research problem and research questions that guided the study. Chapter 3 detailed the methodological approach followed in the study in order to address those questions and to shed more light on the phenomenon of investigation. This included an in-depth examination of the nature of Grounded Theory and the main divergences in applying Grounded Theory strategy, the implications of such an approach for conducting research, presenting results and engaging with existing theoretical knowledge. The principles of theorising and construction of bona fide theories were also presented. The chapter outlined and justified the strategies followed for recruiting participants as well as detailed the abductive reasoning followed for data collection and analysis.

Chapter 4 demonstrated in an extensive and detailed manner the procedures and logic applied for data analysis and construction of categories and substantive theories performed in the study. Chapters 5 and 6 presented the findings of the research. These findings were grounded in the raw data and articulated using categories and concepts constructed from the primary and secondary sets of information. In these chapters, analytical codes and properties were supported with respondents' comments in order to rationalize the findings and the relationships between the categories. The findings relate to the respondents' individual perceptions of the phenomenon of investigation and their experience as

having decision-making power in their respective organisations with regard to the implementation and conceptualisation of the phenomenon in their organisational structures. These findings suggest that the phenomenon has peculiar perceptual and operational dimensions originating from the contextual specification and characteristics of the Middle Eastern environment. The endogeneity of these specifications is a prerequisite to the meaning and operation of the phenomenon divergent from its orthodox dimensions.

Consistent with the abductive logic of the study, additional, unexpected findings enabled identification of contrasting conceptualisations well-established Western literature terms such as stakeholder power, strategy and value. That consequently resulted in the apprehension of a picture illustrating the perceptual and operational dimensions of the phenomenon that could be regarded as divergent from orthodox knowledge and practice. Additional ‘surprising facts’ resulting from the abductive reasoning of the study led to the building of unexpected theoretical constructs presented in Chapter 6. The chapter evolved around findings on the importance of Islam for the phenomenon of investigation. They suggest that the impact of Islam is complex and multi-dimensional. This impact exceeds the individual level of influence as indicated by the respondents and obtains well-established and institutionalised forms with regulative functions at the organisational level. As a result, individuals and organisations communicate in an environment largely dominated by strong religious contextual dynamics. Coupling with the phenomenon of the investigation, these dynamics have the power to contribute to conceptual, operational and dimensional modifications in the latter.

Chapter 7 reviewed the original research questions with reference to the findings presented in the preceding chapters and addressed them in a discursive manner with regard to the academic literature. Engagement with extant theoretical literature and concepts was performed in accordance with the research approach followed in the study. This engagement with relevant theories allowed me to situate the research findings within the theoretical context. As a result of their comparison, two substantive theories were presented. The first substantive theory

illustrates dynamic operational processes behind the phenomenon of examination, while the second represents an ideological construct on the drivers behind these processes. The chapter also engaged with academic literature from diverse disciplines in accordance with the theoretical needs of the categories in order to examine and discuss the research findings from a different perspective. Their positioning in theoretical literature was used for identification of the main findings of the study and a pre-position for the discussion on the main argument in the study. This procedure also served for identification of the main contributions of the study presented in the current chapter.

8.3. Theoretical Contributions

8.3.1. Contributions to Literature on CSR

Starting from the position that the CSR phenomenon is socially constructed in the context of the Middle Eastern countries, the study results presented in Chapters 5 and 6 and discussed in Chapter 7 with regard to participants' perceptions and meaning of CSR, suggest that there is a high diversity in the labelling and conceptualisation of the term CSR as previously suggested by other scholars (e.g. May et al., 2007). In addition, the study results indicating CSR conceptualisation provide new evidence suggesting the diverse and dynamic nature of CSR sense-making. The pro-community focus of the CSR practices identified in the study suggest understanding and conceptualisation of CSR that could be classified as **“community-centred social responsibility (CCSR)”** for the Middle East where the economic and corporate-centric focus (or the “C” in CSR) is not clearly defined. Although the study identified a strategic form of community involvement which was called integrated CSR, the primary focus on organisational approaches to CSR provides a corporate response to societal needs and demands that are, in general, unrelated to the business (e.g. Crane and Matten, 2010; Ferrell et al., 2010). That was identified as particularly relevant to charity-oriented and expanded CSR approaches where the non-strategic forms of community involvement were of primary importance for organisational CSR activity.

Accordingly, the evidence obtained from respondents in this study interestingly suggests a different focus for CSR commitment and stakeholder engagement than the one projected in academic literature. More specifically, the study reveals a CSR concept which could be defined as a corporate approach that aims to avoid risk, mitigate contextual dynamics and balance environmental factors. As presented in Chapter 6, the study found that a set of political, social, demographic and religious stimuli observable in the Middle Eastern environment drive and predispose to a specific form of stakeholder institutionalisation and stakeholder engagement that are prerequisite to high corporate involvement in forms of community social responsibility. Corporate desire driven by intrinsic factors is supplemented by balancing of coercive pressures that, as the study found, are significantly catalysed by political pressures. As the study suggested, political environment is a significant prerequisite for community social responsibility in the Middle East.

Considering that organisations are not autonomous units (Hoffman, 2001), the pressures caused by contextual stimuli drive organisations to compete for political power and institutional legitimacy (Doh et al., 2010; Powell and DiMaggio, 1991). Thus, as the study found, organisational behaviour with regard to community social responsibility acceptance could be explained through the contextual system composing the Middle Eastern environment (Johns, 2006). As a result, the study identified that the contextual factors outlined above and their effect on stakeholder institutionalisation indirectly influence organisations to execute community social responsibility that would be compliant with those pressures and would be able to mitigate their impact on organisational operations.

As a result, the study contributes to the body of CSR literature by providing a definition for community social responsibility that could be clustered as “Middle Eastern”, divergent from the Western forms of CSR. Moreover, this is a definition that has been identified as supported by governmental, public and private sector representatives, a sample which to the best of my knowledge has not been covered in previous research on CSR in the region. Therefore, we have a definition based

on empirical evidence derived from key actors for the phenomenon development in the Middle East.

Middle Eastern community-centred social responsibility (CCSR)

Definition: An altruistic, pro-community focused form of corporate social engagement with a primary focus on responding to societal needs and demands regardless of their relevance to corporate capabilities and objectives

Subject and object of CCSR: community is the subject of corporate involvement where organisations provide mainly financial help and resources to address community-related issues

Motivations and reasons: CCSR is a corporate approach that aims to avoid risk, mitigate contextual dynamics and balance environmental factors. Intrinsic factors supplemented by balancing of coercive pressures influence organisations to execute CCSR that would be compliant with those pressures and would be able to mitigate their impact on organisational operations. These pressures are supplemented by impactful religious factors.

Approach of execution: initiatives developed and arranged around community needs and concerns, where government objectives could serve as a basis for development of initiatives. Execution affected by religious factors.

8.3.2. Contributions to Literature on Stakeholder Theory

Within the context of dynamic and interactive environment noted above, the findings regarding stakeholder prioritisation provide conflicting evidence regarding how, why and which stakeholder groups are considered important for organisational CSR activity. The incongruences indicated with literature (Mitchel et al., 1997) imply differences between *generic theoretical* and *task-specific* stakeholder prioritisation (O’Riordan and Fairbrass, 2008). In other words, **the study identified that there is significant difference between theoretical frameworks identifying stakeholder importance and what organisations**

actually do. The study findings present fresh evidence that extends past scholarship. These findings fill gaps in current literature which had not previously addressed how and why stakeholders are actually prioritised in developing countries.

As the study found, organisations provide CSR response to stakeholder claims not only on the basis of their urgency, legitimacy and power with regard to stakeholder ability to exert pressure on organisational activity (Mitchel et al., 1997), but also respond to stakeholder needs and prioritise these needs on the basis of the ability of these groups to drive changes in the country. Therefore, the study found that *in practice* stakeholder power is a construct composed of stakeholder ability to influence organisational operations (Mitchel et al., 1997) as well as country stability. As result of contextual stimuli observable in the Middle Eastern environment, the study identified a particular set of social, political, economic and religious processes imposed by socially constructed realities (Powell and DiMaggio, 1991) that give different dimensions to stakeholder power.

The study found significant incongruences between *generic theoretical* frameworks identifying stakeholder importance and *task-specific* stakeholder prioritisation of the organisations. The study findings contribute to conventional literature by presenting **how** and **why** stakeholders are actually prioritised in developing countries.

HOW – by developing CCSR agenda that aims to mitigate risk, address contextual dynamics and provide solution to stakeholder (primarily community) concerns.

WHY – *in practice* organisations provide CSR response to stakeholder claims on the basis of their urgency, legitimacy and power to affect organisational activity as well as their institutionalised power and ability to drive changes in the country.

8.3.3. Contributions to Literature on CSR in Developing and Middle Eastern Countries

The study contributes to literature on CSR in Middle Eastern countries by being, to the best of my knowledge, the first study that collects and analysis empirical data from **three Middle Eastern countries** and from **representatives of the business, public and governmental sectors**. By doing so, the study contributes by providing empirical evidence for the operationalization of CSR in the Middle Eastern countries and goes beyond the limitations of previous research. Moreover, it contributes by providing **a complete picture on the CSR activity in the region by collecting data from stakeholders that are essential for CSR operations (NGOs and GOs)** but were not considered by previous studies examining CSR in the region. It also makes a contribution by collecting data from local companies only which essentially has not been done in previous research. Finally, the study contributes by focusing on industrial sectors that are not constrained within the banking industry only but **examined the phenomenon within other industrial sectors** as well (e.g. oil and petroleum, construction, tourism etc.) as this aimed to provide a more comprehensive examination of the CSR activity in the region. Moreover, the study recognises the importance of specific contextual factors, especially the religious stimuli composing local environment, and provides insights of religious impact on Middle Eastern CSR activity that leads to further contributions of the study.

The study contributes to theoretical CSR contextualisation by identified four CSR models grounded in the Middle Eastern organisational practice. They differ in the scope, focus and strategization applied in their implementation. The common element between all four of them is the ultimate objective of organisational CSR commitment – to make a community contribution. This drive was identified as motivated by coercive pressures associated with the local environment. Moreover, the study identified that organisations utilise two sources of religious money – zakat, considered a positive source, and money collected from religious penalties that despite their ‘negative’ nature (haram) obtain positive

dimensions when invested in CCSR activity. To the best of my knowledge this is the first study that investigates this specific issue in the Middle Eastern countries.

The study introduces 4 operational models for CSR:

1. Charity-Oriented
2. Expanded
3. Semi-integrated
4. Integrated

Moreover, the study contributes by being the first research that has conducted an empirical examination of the importance of Islam with regard to Islamic CSR activities. Previous studies in this direction have been primarily conceptual as empirical evidence had not been provided. As result, the study contributes to the CSR literature by introducing Islamic CSR initiatives grounded in the practice of the examined organisations.

The study introduces the first empirically based model on Islamic CSR.

8.4. Practical Implementation for Organisational CSR Activity

The conducted study adds depth to the literature in multiple theoretical fields as discussed above. In the same time, the study illuminated several practical implementations for the organisations in the examined countries. I interviewed the main decision-makers at governmental, business and social levels, whereas previous studies conducted on the topic of CSR in the Middle East have been dependent on Islamic banks only.

In parallel with the theoretical contributions and the gaps identified in previous research and addressed in the current thesis, the empirical evidence presented in this study bears significant insights for the practical implications of CSR at the organisational level. In this regard, the main findings in the thesis suggest that a key aspect for successful (from the perspective of achieving societal value, as this

was identified as one of the primary aims in local CSR activities) CSR agenda could be the improvement of planning and strategization of CSR. More specifically, the views of the interviewed respondents presented in this work, trigger the requirement to re-consider executives' mind-set (with regard to vision, planning, organisations, leading and monitoring of CSR activity) and the perspective from which CSR is currently conducted.

In addition to this point, the study identified that strong influence of contextual dynamics in the region leads to uncertainty on where governmental responsibility stops and business responsibility for social well-being begins (Matten and Crane, 2005; Dunning, 1995). Potential clarity on barriers and areas of specialisation will help the corresponding institutions to concentrate efforts on their respective areas of activity while at the same time leave factors they are not specialised in conducting to those actors whose fundamental purpose of existence is to manage them. Moreover, the pro-community-CSR-focused activity identified in the region is a consequence of regional turbulences but also a supporting cause for this trend that takes away societal ability and will for progress and self-development.

Finally, clear vision on stakeholder engagement with regard to stakeholder prioritisation as part of CSR activity would give more credibility and reputation of the examined organisations (e.g. Barney and Hansen, 1994). As discussed above, the study identified that there are incongruences between the stakeholders claimed to be considered in organisational CSR initiatives and what organisations actually do, which potentially creates a barrier to effective CSR conduct.

In order to have effective CSR initiatives, the study recommends that organisations:

- should invest resources and capabilities to improve their CSR planning and strategization
 - should focus on improving monitoring and conduct of CSR
- should concentrate efforts on their respective areas of activity and leave factors they are not specialised in conducting to those actors whose fundamental purpose of existence is to manage them
- should realise that their pro-community-oriented CSR activity is a result but also a supporting cause for regional turbulences that takes away societal ability and will for progress and self-development.
- should be transparent and more accurate (especially in their reporting) in their stakeholder engagement practices

8.5. Evaluation of the Study

The criteria for evaluating Grounded Theory studies were outlined in Chapter 3. Considering that Charmaz's (2006) version of Grounded Theory was applied as the study research strategy, it is logical that her evaluative criteria are applied. The four criteria were: 1) credibility, 2) originality, 3) resonance, and 4) usefulness. The section continues with reflection on these criteria.

With regard to *credibility* the research process has been rigorous, detailed and thorough. The processes of constructing specific concepts, categories and properties have been extensively presented in Chapter 4, where the reader can see the procedures and logic followed in the data analysis and construction of the above mentioned elements. Support for the data analysis and presentation of results has been provided in a consistent fashion by using respondents' comments. Connections and relationships between categories have been identified upon logical argumentation and supported with representation of visual materials. The information provided in the appendixes provides further transparency in the analysis process. Moreover, the research findings reveal my deep familiarity with the phenomenon of examination.

In terms of *originality*, as was explained above, this is the first study to consider all main actors with regard to CSR decision-making activity in the Middle East by collecting data from representatives of the business, governmental and social sectors; the first one to collect empirical data with regard to Islamic CSR; the first one to focus on local companies only and to examine the phenomenon in three Middle Eastern countries. Many of the categories constructed in the study such as 'Institutionalisation of CSR', 'Sources of financing for CSR', 'Islamic initiatives for CSR practices', 'Impact of Religious Affiliations on Organisational Behaviour', 'Impact of Hazanat on Ethical Character and Organisational Motivations', 'Social Value Creation', and the four models for CSR are innovative and offer a new perspective on CSR activity in the Middle East.

Regarding *resonance*, the diversity of categories constructed and presented in the study indicates a solid and broad understanding of the phenomenon under examination. Moreover, the findings were presented and discussed in a manner that makes them accessible to the study participants. With regard to *usefulness*, the findings have the potential to be applied in organisational CSR practice and used by organisations to improve the efficiency of their CSR operations.

8.6. Reflexivity

Reflexivity and the need for reflexivity in Grounded Theory research were discussed in Chapter 3. With this in mind, reflecting on my own previous research experience in the context of the Middle East was necessary since that experience helped me to generate the research idea and very often was a subject of discussion with participants in the interview process. That also created a positive environment for participants as they felt comfortable to open up and share their experience with a person aware of their religion and local circumstances.

With regard to my participation in the interview discussion, my previous knowledge was not a disadvantage but rather a valuable asset that helped me to prepare for interaction with representatives of a highly conservative society associated with trust barriers. Moreover, in accordance with Mills et al.'s (2006:

10) suggestion for a “more non-hierarchical relationship” and use of “conscious-raising questions” in the interview process, in order to reflect on the co-constructive character of data collection, I have adopted an intensive interview technique that allowed me to schedule interviews:

at a time and location of the participant’s choice, using a relatively flexible and unstructured approach to questioning so that participants assume more power over the direction of the conversation, sharing the researcher’s understanding of the key issues arising and assuming an open stance towards the participant, as well as sharing personal details and answering questions asked both during the interview and afterwards (p.10).

Additionally, the coding and data analysis process was constantly verified as I challenged myself to justify my analysis and decisions for coding and categorisation. Memo-writing proved to be very useful in this regard. Memos served as a “self-monitoring tool” that helped me become aware of the constructed concepts, influence and use of literature for their construction and comparison (Miles and Huberman, 1984: 432). Reflexivity contributed to the grounding of categories by documenting their evolution through the analysis process (Dey, 2007).

With regard to my own experience with this research, from a skill-development perspective, the process of conducting this study has improved me as a researcher in terms of planning research projects, collecting and analysing data and communicating findings in a logical and clear way. In particular, I believe that my interviewing skills improved significantly in the course of data collection and was reflected in the participants being more open and expressive. Moreover, the interaction with a civilisation significantly different from the one I was brought up in helped me to develop soft skills such as diplomacy, patience and tolerance. Among them patience was probably the most important one considering that the study was conducted in a region characterised with significant time flexibility.

That also required tolerance of the new and previously unknown experiences I was about to have.

Driven by my strong interest in Islam and the Middle East I was motivated to conduct a study in an environment usually associated with suppression of women and high social restrictions. Traveling alone in the region helped me to understand better regional specifications and to understand the contextual dynamics local organisations have to deal with. That helped me to grasp the studied environment better and to be more prepared for my interviews.

In terms of reflecting upon the impact the research may have had upon the research participants, I believe that the interviewing opened a process of self-reflection on their approach to CSR. Participating in the study, they reflected on their experience with the phenomenon. After the interview and the data recording, some of them asked me questions about CSR and my opinion and that resulted in long discussions on what makes CSR an effective organisational policy, successful and efficient strategy and so on. Whether or not this prompted subsequent changes in organisational CSR conduct I cannot say, but I am confident that their awareness of the phenomenon was heightened.

8.7. Limitations and Recommendations for Further Research

Despite the numerous contributions, this study is not without limitations. Although the study was conducted in three Middle Eastern countries, it was conducted regarding one religion (Islam) only. Whether the Islamic CSR theory constructed in the study is able to work in other Islamic countries, is a question that could be answered in further studies. Considering that contextual economic, historical, political and social stimuli may differ from the ones observed in the examined countries, it is possible a future study would reach different conclusions. An additional limitation is the collective examination of the impact of Islam. However, Islam has different sects (e.g. Shia and Sunni) and that could lead to different views with regard to the examined problem.

Moreover, the study implemented a Grounded Theory approach for data collection and data analysis and thus the study results have analytic generalisation, not statistical generalisation according to the meaning given by Yin (2009). As result, the study results will be used in my future research projects where a statistical generalisation will be aimed for.

8.8. Chapter Summary and Conclusion

The study aim was to explore CSR practices of the Middle Eastern countries. In order to achieve its purpose, qualitative data were collected from executive directors of governmental, non-governmental and business organisations and subsequently analysed. By doing so, the study aim was achieved and the research questions were answered. That resulted in making significant contributions to theoretical literature by providing insights on the under-researched area of CSR in Middle Eastern countries. Moreover, the study made practical and applicable contributions for real business environments that could support organisations in their experience with the phenomenon of examination.

By implementing Grounded Theory strategy for data collection and analysis, the study identified that the implementation of CSR in the examined organisations differs significantly from the CSR practices of Western countries; as reasons for that, contextual factors associated with the Middle Eastern environment were identified that give different institutional shape to CSR and to the stakeholder groups of importance for CSR activity. Organisations are driven by coercive pressures to conduct CSR. The main CSR priority is to provide community contribution that is not aligned with any economic and business objectives. Community needs and considerations are the areas around which organisational CSR activity revolves.

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APPENDIX 1 – RESEARCH ON CSR EMPLOYING GT STRATEGY

Table 1.1: List of Studies

Author	Type	Aim of Research	GT Approach
West, 2012	PhD	To examine practices and perception of CSR in the North America pharmaceutical industry	C ⁷
Miles, 1988	Book	To develop a corporate performance framework for insurance companies	GS
Maon et al., 2008	Article	To develop a framework of CSR design and implementation	SC
Morimoto et al., 2005	Article	To create a framework for social responsibility auditing compatible with the environmental audit system	GS
Petersen & Vredenburg, 2009	Article	To examine whether CSR had any bearing on the decision making of institutional investors	GS
Yin & Zhang, 2012	Article	To examine the CSR dimensions and develops a CSR framework for China	SC
Dickson & Eckman, 2008	Article	To examine whether CSR disclosure encourages managers to undertake reporting initiative	SC
Waller, 2010	Article	To examine the impact of CSR in advertising industry	SC
Rumsey & White, 2009	Article	To examine corporate philanthropy from the perspective of non-profit organisations	SC
Jamali, Zanhour & Keshishian, 2009	Article	To examine CSR in the Middle East	SC

⁷ GS – Glasser and Strauss (1967); ST – Strauss and Corbin (1998 or 1990); C – Charmaz (2006)

Vidal et al., 2009	Article	To examine how CSR are communicated in companies and what factors influence this communication	SC
Carter & Dresner, 2001	Article	To examine drivers for environmental initiatives	GS
Snider et al., 2003	Article	To examine how companies conduct stakeholder communication on socially responsible behaviour	GS

APPENDIX 2 – PLCs IN THE MIDDLE EASTERN REGION

Table 2.1: Total number of PLCs

Stock Market	Number of companies listed
Saudi Stock Exchange	165
Dubai Financial Market	66
Abu Dhabi Securities Exchange	22
Muscat Securities Market	121
Total	374

Source: Saudi Stock Exchange, Company List All (Market), Available at:

http://www.tadawul.com.sa/wps/portal/!ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os3g_A-ewIE8TIwMLj2AXA0_vQGNzY18g18cQKB-JJO8eEGZq4GniE2wUHOB1bOBpREB3cGgevp9Hfm6qfkFuRDkAaV2g7g!!/dl2/d1/L2dJQSEvUUt3QS9ZQnB3LzZfTjBDVIJJNDIwT0ZWQjBJSzFGVjNGMDEwQzM!/ Accessed: October, 2013.

Dubai Financial Market, Listed Companies, Available at:

<http://www.dfm.ae/pages/?c=1010>

Accessed: October, 2013.

Abu Dhabi Securities Exchange, Listed Companies:

<https://www.adx.ae/English/Securities/Pages/ListedCompanies.aspx> Accessed: October, 2013

Muscat Securities Market, Companies, Available at: <https://www.msm.gov.om/>

Accessed: October, 2013

APPENDIX 3 – DEMOGRAPHIC DATA FOR THE PLCs (HOMOGENOUS SAMPLE)

Table 3.1: Demographic Data for PLCs

Country	Company	Listed on	Industrial Sector	Market Cap(USD)	Area Served	Employees
UAE	1	Dubai Financial Market	Logistics	1,295,503,200	Worldwide	12,300
	2	Dubai Financial Market	Services	1,753,400	Worldwide	1,257
	3	Dubai Financial Market	Banking	3,662,800	UAE	1,100
	4	Abu Dhabi Securities	Banking	11,578,200	UAE	2,708
	5	Abu Dhabi Securities	Banking	5,137,600	UAE	1,965
	6	Abu Dhabi Securities	Banking	1,063,500	UAE	500
	7	Abu Dhabi Securities	Banking	19,664,000	UAE	5,475
	8	Abu Dhabi Securities	Oil and Gas	1,564,100	MENASA	500
Saudi Arabia	9	Saudi Stock Exchange	Telecommunication	36,126,188,800	GCC, Asia and Africa	25,000
	10	Saudi Stock Exchange	Banking	265,549,800	KSA	23
	11	Saudi Stock Exchange	Agriculture	9,943,600	MENACA	7,000
	12	Saudi Stock Exchange	Banking	28,980,600	KSA, Kuwait, Jordan, Malaysia	10,054
	13	Saudi Stock Exchange	Banking	14,807,900	KSA and UK	5,677
	14	Saudi Stock Exchange	Banking	3,397,800	KSA	1,693
	15	Saudi Stock Exchange	Banking	140,186,800	KSA	5,000
	16	Saudi Stock Exchange	Food and Beverages	11,804,190	KSA	30,000
	17	Saudi Stock Exchange	Oil and Gas	92,873,300	Worldwide	9,500
	18	Saudi Stock Exchange	Electric Power	17,718,600	KSA	30,070
Oman	19	Muscat Securities Market	Banking	3,656,000	Middle East	3,024
	20	Muscat Securities Market	Oil and Gas	477,802,300	Worldwide	12,000
	21	Muscat Securities Market	Banking	35,696,200	Oman, UAE and Egypt	1,345
	22	Muscat Securities Market	Oil and Gas	382,439,300	Oman and Kazakhstan	103
	23	Muscat Securities Market	Telecommunication	2,865,307,200	Oman and Pakistan	2,700

Source: Individual company websites accessed in October - November, 2013

APPENDIX 4 – SUMMARY OF THE SECONDARY DATA ANALYSED IN THE STUDY

**Table 4.1: Annual, Sustainability and CSR Reports (2008-2012) of the
Sample PLCs Analysed (Homogenous Sample)**

Company	Annual	Sustainability	CSR
1	5	2	-
2	5	-	-
3	5	-	-
4	5	1	4
5	5	-	-
6	5	-	-
7	5	1	3
8	5	-	-
9	5	-	-
10	5	5	2
11	5	1	1
12	5	-	-
13	5	-	-
14	5	-	-
15	5	2	-
16	5	-	-
17	5	-	-
18	5	-	-
19	5	1	5
20	5	1	-
21	5	-	1
22	5	-	-
23	5	1	-
	115	15	16
Total		146	

APPENDIX 5 – INTERVIEW GUIDE WITH PLCs AND SMEs (VERSION ONE)

1. What is your understanding of CSR?
2. How do you understand the social role of business?
3. How your organisation is implementing CSR initiatives?
4. Does your organisation perceive CSR as part of its business strategies and planning?
5. What is the output of your CSR initiatives?
6. Which stakeholder groups you consider for implementation of CSR initiatives?
7. What kind of stakeholder issues your organisation deal with?
8. How does your organisation deal with stakeholder issues?
9. What CSR initiative does your organisation implement?
10. What is your motivation for embracing CSR?
11. What are the factors that influence management to be socially responsible?
12. Have you been involved in the development of the CSR policy of your organisation?
13. Do you think that Islam has any influence (through Qur'an and Sunnah) on CSR practices? (Explain)
14. Is there any influence of Islamic teaching on CSR policy of your organisation?
15. Is your CSR policy driven by the desire to be a good corporate citizen (conventional CSR) or to contribute for social welfare (driven by Islam)?
16. What are the main factors you considered when developing your CSR policy?
17. What are the main obstacles (if any) for engaging in CSR activities in your country?

APPENDIX 6 – INTERVIEW GUIDE WITH PLCs AND SMEs (VERSION TWO)

1. What is your understanding of CSR?
2. How do you understand the social role of business?
3. How your organisation is implementing CSR initiatives?
4. Does your organisation perceive CSR as part of its business strategies and planning?
5. What is the output of your CSR initiatives?
6. Which stakeholder groups you consider for implementation of CSR initiatives?
7. What is your motivation for embracing CSR?
8. What are the factors that influence management to be socially responsible?
9. Do you think that Islam has any influence (through Qur'an and Sunnah) on CSR practices? (Explain)
10. Is there any influence of Islamic teaching on CSR policy of your organisation?
11. Is your CSR policy driven by the desire to be a good corporate citizen (conventional CSR) or to contribute for social welfare (driven by Islam)?
12. What are the main factors you considered when developing your CSR policy?
13. What are the main obstacles (if any) for engaging in CSR activities in your country?

APPENDIX 7 – INTERVIEW GUIDE WITH NGOs

1. How do you perceive CSR?
2. How do you work with CSR?
3. What is the result of your initiatives?
4. Which initiatives the companies you work with support the most?
5. What are the main motivations of local companies to work with CSR?
6. What is your motivation to involve in this activity?
7. Can you identify any impact of Islam on your activity?

APPENDIX 8 – INTERVIEW GUIDE WITH GOs

1. What is the governmental position towards CSR?
2. What is the government doing regarding CSR on a national level?
3. What is the government doing regarding CSR on a corporate level?
4. What are the main obstacles of involving in CSR in country X?
5. Can you identify any impact of religion towards CSR in country X?

APPENDIX 9 – LIST OF RESPONDENTS

Table 9.1 – List of Respondents

№	Initial	Country	Sample group	Industry	№	Initial	Country	Sample group	Industry
1	SA1	KSA	PLCs	Health care	33	EM13	UAE	GOs	-
2	SA2	KSA	PLCs	Logistics	34	OM17	Oman	NGOs	-
3	SA3	KSA	PLCs	Banking	35	OM18	Oman	SMEs	Banking
4	OM1	Oman	PLCs	Oil and gas	36	EM14	UAE	SMEs	Various
5	SA4	KSA	PLCs	Banking	37	SA5	KSA	SMEs	Education
6	EM1	UAE	PLCs	Logistics	38	SA6	KSA	PLCs	Banking
7	EM2	UAE	PLCs	Banking	39	EM15	UAE	SMEs	Services
8	OM2	Oman	PLCs	Banking	40	EM16	UAE	SMEs	Services
9	OM3	Oman	SMEs	Services	41	EM17	UAE	SMEs	Construction
10	OM4	Oman	PLCs	Various	42	EM18	UAE	SMEs	Tourism & hospitality
11	OM5	Oman	SMEs	Services	43	EM19	UAE	PLCs	Banking
12	OM6	Oman	SMEs	Construction	44	EM20	UAE	PLCs	Banking
13	EM3	UAE	SMEs	Transport	45	OM19	Oman	PLCs	Banking
14	OM7	Oman	SMEs	Services	46	OM20	Oman	PLCs	Banking
15	EM4	UAE	PLCs	Banking	47	OM21	Oman	SMEs	Services
16	EM5	UAE	SMEs	Education	48	OM22	Oman	SMEs	Construction
17	EM6	UAE	SMEs	Construction	49	OM23	Oman	SMEs	Transport
18	EM7	UAE	GOs	-	50	OM24	Oman	SMEs	Banking
19	EM8	UAE	SMEs	Construction	51	SA7	SA	PLCs	Transport
20	EM9	UAE	SMEs	Tourism & hospitality	52	SA8	SA	PLCs	Banking
21	EM10	UAE	SMEs	Services	53	SA9	SA	PLCs	Banking
22	EM11	UAE	SMEs	Transport	54	SA10	SA	PLCs	Banking
23	OM8	Oman	PLCs	Transport	55	SA11	SA	SMEs	Construction
24	OM9	Oman	PLCs	Telecommunication	56	SA12	SA	SMEs	Construction
25	OM10	Oman	NGOs	-	57	SA13	SA	SMEs	Services
26	OM11	Oman	PLCs	Banking	58	SA14	SA	SMEs	Logistics
27	OM12	Oman	NGOs	-	59	SA15	SA	SMEs	Services
28	OM13	Oman	PLCs	Banking	60	SA16	SA	NGOs	-
29	OM14	Oman	GOs	-	61	SA17	SA	GOs	-
30	OM15	Oman	PLCs	Various	62	SA18	SA	PLCs	Banking
31	OM16	Oman	PLCs	Oil and gas	63	SA19	SA	PLCs	Banking
32	EM12	UAE	SMEs	Education					

APPENDIX 10 – CODING OF CORPORATE REPORTS

Figure 10.1 – Coding of a Sustainability Report by an Emirati Organisation for 2009

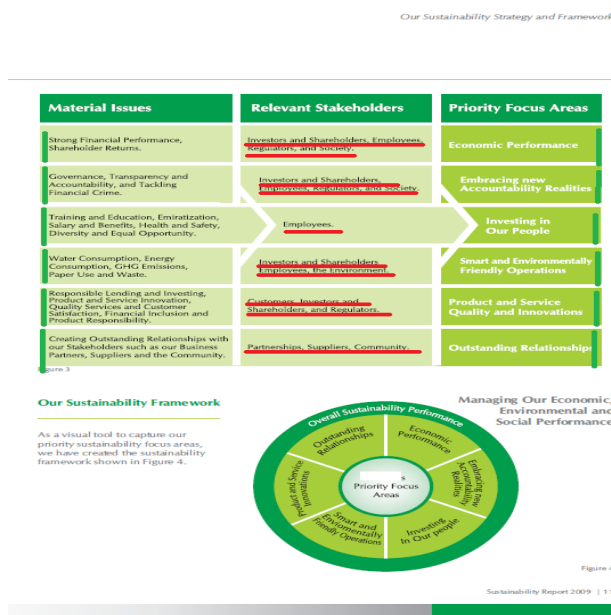


Figure 10.2 – Coding of an Annual Report Issued by an Omani Organisation for 2011

- **Business Incubator**
Aimed at revitalising neighborhoods and strengthening the national economy, Business Incubator is envisaged to transform local communities and benefit Omani women from low-income and middle class families. The business incubator facilitates a work environment conducive to projects which are difficult to start elsewhere. During the year, new business incubators were launched in Al Mudhalbi in Sharqiyah region and Mirbat in Dhofar governorate. In all, 300 women have benefited from the business incubator initiative.

The business incubator creates job opportunities and provides supplementary income for low-income women. The training workshops focus on how to set up and manage small business ventures in the field of services and handicrafts. The beneficiaries are spread across the governorate of Muscat, Batinah, Sharqiyah and Dhofar regions.
 - **Al Thuraya**
The Bank extended support to the Omani women's sailing programme organised in response to the Royal directive of His Majesty Sultan Qaboos bin Said to empower women by encouraging them to develop sailing skills for recreation and competitive sport. The association with the Oman Sail project stems from the CSR focus to channelise the country's heritage to future generations. As part of the programme, young Omani women are supported to develop their sailing skills, and create a sustainable sailing future for the country.
 - Al Thuraya sail vessel steered by an all-women crew participated in the prestigious Sailing Arabia The Tour (SATT) competition. The four Omani women sailors who participated in the event along with the international captain Dee Caffari are Raya Al Habasi, Tahira Al Yahyaee, Intisar Al Toubi and Khlood Al Kindi.

Cheese Production
The Bank organised a training programme in cheese production for rural women in Salalah, aimed at enhancing their role in society and enabling them to increase family income and limit migration from rural areas. The programme benefited 10 women who were trained to set up small projects to be run from homes, utilising animal wealth for production of cheese. The 4-month training programme covered technical aspects of milk collection stages, processes related to production of cheese and other by-products, packaging and marketing of these products.

Higher Education Opportunities for Omanis
In association with Oman Charitable Organisation, the Bank offers scholarships for 25 students from low-income families to pursue higher studies at different colleges and universities in the Sultanate. The 5-year scholarship programme commenced in 2009. The Bank hosts an annual gathering to obtain feedback and encourage these students.

Development of Agriculture Sector
The Bank believes in creating significant economic impact among communities where it operates. As part of measures
 - aimed at supporting the efforts of government in implementing the recommendations made by the Seminar on Sustainable Development in the Agriculture Sector, the Bank, in co-operation with the Ministry of Agriculture, is engaged in projects covering Greenhouse farming, modern irrigation systems, quality control and packaging of Omani honey.

Hearts
Hearts, an informal society of Bank employees, conducts voluntary social work benefiting disadvantaged sections of society. Reflecting the corporate ethos, the Bank staff seizes every available opportunity to channel resources for creating sustainable positive changes in communities by investing in their welfare to equip them for a better future.

Charity Fashion Show
A charity fashion show was organised to raise funds for a playground for orphans and physically challenged children at the Child Care Centre and help in their rehabilitation to lead normal lives.

Tadhamun
As part of the Layali Al Khair Ramadhan initiative by the Bank, Hearts launched the Tadhamun campaign benefiting Al Noor Association for the Blind. The proceeds of the campaign was utilised to equip the association with a 'talking' computer system which helps the vision impaired to read e-books and develop skills.

During the year, Hearts also organised blood donation campaigns and autism awareness programme.
- ANNUAL REPORT 2011 | 81

Figure 10.3 – Coding of a CSR Report Issued by a Saudi Arabian Organisation for 2012



Note: Red colour indicates stakeholder groups of interests; Green colour indicates stakeholder response as part of organisational CSR commitment to a specific stakeholder-related concern.

The first report (Figure 10.1) belongs to a bank in Abu Dhabi issued in 2009. Due to its length (60 pages) only a few pages were attached in order to demonstrate the coding process. The second report (Figure 10.2) belongs to an Omani bank that is considered to be a pioneer in the CSR field in the Sultanate. The CSR report is not issued separately but as a part of their annual report. The CSR section is three pages in total and accounts for the CSR engagement of the bank for 2011. The CSR report for 2012 (Figure 10.3) belongs to a Saudi Arabian organisation that presents their CSR practices.

APPENDIX 11 – CODES INDUCED FROM CORPORATE REPORTS

Table 11.1 – Codes Induced from Emirati Sustainability Report (2009)

		CSR practice	n
Employee ⁸	Employee ⁹	investment in the company's employees	
		recognition, respect and empowerment of employees	
		safe and healthy working environment	
		training courses, professional and career development	
		annual training programs that can be chosen by the employees	
		technical courses	
		programs in leadership, technical expertise and personal effectiveness	
		professional qualifications through key international institutions	
		Emiratization	
		employee engagement survey annually	
		engagement action plan	
		employees' wellness programs	
		employee volunteerism	
		raising employee awareness of different health issues - lectures and medical screening	
		annual health days in the bank	
		annual performance appraisal	
		maximise participation of women nationals in the workforce	
		expand skilled workforce and reduce dependency on unskilled labour;	
		optimise use of workforce	
		enhance workforce productivity	
		quality insurance team that optimises services for the bank's employees	
		creating internal channels for communication	
		workforce diversity	
		creating a culture of learning and performance	
		no tolerance for discrimination, harassment, child labour and forced labour	
		offer attractive rewards	
		ensuring opportunities for all employees	
		determining the key issues in employee well-being and assessing the feasibility of	28
		developing a wellness strategy	
Customers	Customers	provision of reliable and accessible products and services to customers	
		developing and improving products and services	
		compliant response	
		customer engagement - compliances and survey	
		developing of products and services that suit the customers' needs	
		improving customer experience	
		increase savings and depth of deposits	
		endured customer privacy and data protection	
		providing high quality services	
		Shari'ah compliant financial products and services	10
Partners	Supplier	ensuring ethical and human right preservation policies of the company's suppliers	1

⁸ Stakeholder group

⁹ Concerns related to a specific stakeholder group

	NGO	cooperation with NGOs on different social programs	1
Shareholders	Shareholders	effective corporate governance	
		strong financial performance	
		shareholders' maximization on investments	
		facilitate efficient and effective investment processes	
		enhance performance and financial market performance	
		increase global presence of the bank	6
Community	Community	zakat funds	
		charity and donations	
		support of sport/art/cultural events	
		equip the emirate's youth to enter the workforce	
		stimulate faster economic growth in remote regions	
		develop efficient and safe transport infrastructure	6
	Educational	student sponsorships and partnerships with regional universities and colleges	
		organising lectures on important topics in attempt to educated community	
		support of educational programs	3
	Health	blood donations	
		raise awareness on common health issues	
		support of health awareness days	3
Environmental	Environmental	climate changes awareness	
		environmental awareness	
		promoting recycling of office materials in the bank	
		increase use of renewable/recycled products	
		understand, identify and manage future environmental	
		enhance energy security to meet future demands	
		promote environmental sustainability	
		promote environmentally friendly operations	
		waste minimization	9

APPENDIX 12 – CODES INDUCED FROM ANNUAL REPORTS

Table 12.1 – Codes Induced from Saudi Arabian Annual Report (2011)

		CSR response	n
Employees	Employees	Volunteering	
		Learning and Development programmes;	
		Periodic appraisal sessions	
		Weekly team meetings, periodic 1:1 meetings	
		Employee satisfaction survey	
		internal communicational sources	
		Staff recreation events	
		Grievance mechanism	
		Job satisfaction	
		Fair compensation	
		Fair and transparent appraisal system	
		Staff engagement	
		Providing a stimulating work environment	
		Implemented HR online appraisal and goal setting systems, that require employee feedback	
		Omanisation	15
Customers	Customers	Call Centre	
		Focus groups	
		Efficient customer service	
		Innovative services and products	
		Feedback/complaints	
		Press releases, interviews, magazine	
		Customer networking events for specific customer segments	
		Website & Social Media	
		Annual Reports, brochures and leaflets	9
Partne	NGOs	Collaboration with different organisation for humanitarian programs	1
Regulators	Government	Investment in the national economy	
		Supporting initiatives of national importance	
		Alignment to Oman's 2020 vision	
		Abidance by the government rules and regulations	
		Transparency and disclosure	
		Communication with government bodies	
		Communication with ministers on sustainability and social issues	7
	Regul	Dialogue through Financial Institutions Group (FIG)	
		Annual Reports	
		Road shows & presentations	3
Shareholders	Shareholders	Annual General Meeting	
		Board of Directors' meetings	
		Extraordinary Meeting of the Shareholders	
		Annual Report	
		Periodic Investor Meetings and presentations	
		Online communication on investment relations	
		Investor Road shows/presentations	
		Investment maximization	
		Steady growth and asset growth	9

Community	Community	Supporting social and humanitarian activities, events and charitable causes	
		Encouraging small businesses	
		Projects to assist people from low-income families	
		Protected agriculture using Green Houses	
		Implementation of Modern Irrigation Systems	
		Promoting High Quality Omani Bee Honey	
		Annual Agriculture Business Awards	
		Organisation of different cultural initiatives with charitable purposes	8
	Health	Donation of medical equipment to hospitals	
		Blood donations	
		Autism awareness days	3
	Educational	Providing education for young people to increase their potential and opportunities for employment	
		Training and employment programs for people with disabilities	
		Workshops for poor women on how to set up and manage small business ventures	
		Training programs for women from the rural areas educating them how to produce cheese	
		Scholarship for underprivileged students	
		Training for people with disabilities in fields of pottery and ceramic craft	
		Training and job opportunities for low-income families	7
Environmental	Environmental	Pursuing environmentally responsible practices	1

APPENDIX 13 – CODES INDUCED FROM CSR REPORTS

Table 13.1 - Codes Induced from Saudi Arabian CSR Report (2012)

		CSR practice	n
Employees	Employees	Saudisation	
		annual hajj	
		training programs	
		internal employee surveys	
		regular meetings	
		annual performance review	
		remuneration and pension plans	
		workplace environment	
		merit-based compensation and promotion	
		opportunities for women	
		recruitment, acquisition and orientation of all new employees	
		exit interviews	
		managing service provisions to existing staff (loans, government relations)	
		bonuses -fixed bonuses, allowances programs, and performance bonuses	
		social insurance, medical and life insurance	
		privileged access to loans	
		end of service awards	
		no tolerance for discrimination, harassment and intimidation	
		abolition of child labour and prevention of forced and compulsory labour	
		protection of human rights and diversity	20
Customers	Customers	customer engagement - feedback	
		offering Shari'ah compliant solutions	
		providing responsive and efficient services	
		assessing customer needs, satisfaction and reporting	
		building loyalty and high quality of service	
		handling complaints	
		protection of customer privacy	
		privileged loans for people from poor families	8
Partners	Partners	ethical business transactions	
		pre-qualification form for contractors	
		fair opportunity to secure business contracts	
		timely payment	
		confidentiality	
		contributing to major national projects	6
	Suppliers	promoting sustainability management and reporting	
		practicing and promoting fair competitiveness	
		visits suppliers and meeting their management	
		timely payment	
Shareholders	Shareholders	confidentiality	
		contractor selection and human rights in the supply chain	6
		cooperation with NGOs to support the company's social initiatives	1
		annual general meetings	
		board of director's meetings	
		sound corporate governance	
	Shareholders	integrity and reputation	
		protection of assets and wealth	
	Shareholders	solid return on investment	

		managing a strong balance sheet	8
		managing compliant corporate regime	
Regulators	Regulators	regular reporting requirements	
		regular visits by regulators	
		responding to periodic requests by regulators	
		bank's adherence to all laws and regulations	
		bank's effective corporate governance practices	
		bank's effective risk management	
		ensuring the soundness of the financial system	
		adopt the decisions and recommendations of the Shari'ah Board	
	Shari'ah	monthly meetings of the board	
		Shari'ah Compliant products and services	3
Community	Community	continuous interaction with communities and beneficiaries	
		direct feedback mechanisms	
		reducing unemployment	
		assisting the poor	
		orphan programs	
		disabled programs	
		voluntary work programs	
		SMEs business programs - support and training of entrepreneurs	
		training programs for women in need	
		charity support for people in need	
		supporting employment programs for the private sector	
		sport programs and competitions	12
	Educational	training programs for students in the bank	
		improving education quality through donations	
		ensuring access to education for underprivileged students	
		support of scientific research	
		providing computer to schools in need	
		providing free computer literacy training workshops for students	
		training programs for teachers to increase their professional skills	
		training programs for students with disabilities	
		providing free learning materials to students in need	
		providing extra financial assistance to high-achieving students	10
	Health	health awareness programs	
		providing medical units in poor areas	
		providing free medical treatment to people in need	
		first aid training to citizens	
		support of medical programs for disabled people	
		providing medical equipment to hospitals and medical centres	6
Environmental	Environmental	encourage recycling	
		efficient water use	
		greenhouse gas emissions	
		improving environmental awareness among staff	
		stakeholder engagement and awareness on environmental issues	
		volunteer clearing campaigns	
		development of a 5 years environmental plan	
		dedicating a certain percentage from the sale of particular products and services to environmental campaigns	
		reduce electricity consumption	9

APPENDIX 14 – INITIAL MEMO

Table 14.2 – Initial Memo (Interview with SA3)

NOTE: due to the highly altruistic and donations related policy of the respondent, when I am using ‘giving back’ in the text, it should be understood as giving donations, charities and time to the community. There are only two elements that have been discussed in the entire interview – community and charity and as such, ‘giving back’ in this particular organisation means the factors mentioned above. **I cannot even use ‘investing’ or ‘investment’ in community**, because it requires availability of certain expectations for financial return, which are factors not evident in the organisations’ willingness *to give back*.

When started with the interview, SA3 asked me about my concept for CSR and what CSR means for me. As I came to know through our discussion, he asked me this question because he wasn’t sure in the correctness of his own interpretation of CSR. He needed to hear an external opinion to verify that he is right and his understanding for CSR is correct.

Something very important that needs to be stated here. In the case of this organisation, we can talk only about external CSR. What is that? It means how CSR is being exercised outside of the company and how external stakeholders are being influenced by the CSR agenda of the organisation, or how external stakeholders shape and determine the CSR agenda exercised through their needs and expectations (external stakeholder management for the organisation). Why is that? On the basis of the interview, I figured out that this particular organisation is cooperating only with the community (external stakeholder) and any CSR initiative or attempt to demonstrate its social responsibility is directed only to the community. This organisation is not doing ANYTHING regarding internal stakeholders (employees and shareholders) as they are not a matter of concern for the organisation’s CSR agenda, i.e. they are not a subject of concern when it comes to CSR. If they interact and manage these internal stakeholder groups, that happens through other departments (such as HR, board of directors). Therefore, we don’t have internal but only external CSR agenda.

I MUST mention that this was THE MOST HONEST, SINCERE AND OPEN INTERVIEW I had so far. I am genuinely **IMPRESSED** by the altruistic view for CSR of this person, by the genuine giving embedded in their CSR practices and the lack of ANY expectations related to tangible or intangible benefits, financial return, profit or whatsoever. In brief, the MAIN and ONLY focus of their CSR agenda is community. Why this is important and why this is surprising? Because, this is the first out of three interviews conducted so far, when the CSR director is developing a CSR agenda wrapped around one stakeholder group only – **community**, as the other stakeholder groups are totally neglected (as he admitted due the interview). He is aware that he neglects other stakeholders, but he is not doing it because he is not capable to develop CSR for them, but because **he believes that CSR is all about community and other stakeholders are not part of it and are not supposed to be part of it.**

The generous and altruistic nature of the CSR program of this organisation is **surprising**. They really give (and they give a lot) and invest lots of money in community’s needs and improving community’s well-being without expecting anything in return. The respondent is investing because he wants to help, not because he expects any return of his investment or to increase his customers. Another surprising fact here was his willingness to put ‘**a human face**’ on the bank, i.e. to demonstrate the community that banks are not bad, evil corporate entities that aim to steal their money, but also have a good side that is good and carrying. This side is CSR. Through CSR, donations and charities, he shows to people that they have ‘a human side’. These CSR donations

also help the bank to build a good reputation and brand of a bank that cares about the community.

A very surprising fact and ‘attracting my attention point’ was when he shared the following with me:

“All organisations at one point or another have some form of CSR going on, they just don’t know it’s CSR, because we don’t have a definition for it. If you ask an organisation, ‘do you do (CSR)?’ they might say ‘no’, but if you say ‘do you give donations to people?’, they will say ‘yes’, ‘do you go out in the community and give your time to people?’, they will say ‘yes’...”

That means:

1. That I am doing this research for the right reason – they don’t have a CSR concept; so I will be able to help them
2. There is lack of CSR awareness
3. It demonstrates how CSR is perceived – “do you give donations to people?... do you go out in the community and give your time to people?” – all that means that they perceive CSR as giving donations, investing time and money (resources) in only one stakeholder group – community, i.e. to only one beneficiary of the organisations’ CSR programs.
Assimilating CSR with donations
4. *People locally implement CSR – what we call CSR, but in reality they are making donations*

In general there is a very dynamic and active engagement in giving back to the community, as such when companies decide to ‘abandon’ the traditional forms of donations and giving back and to relate to more secular and ‘civilised’ forms of social involvement, they switch to more ‘fancy’ and ‘Westernised’ practices such as CSR, but (since it’s part of their business traditions and religion) they continue engaging in community related initiatives such as donations and charities under the CSR ‘logo’, claiming that they are involved in CSR. With other words, same practice – new title.

He believes that giving back will make them a good corporate citizen. This is his/organisational motivation to involve in CSR. However, since we know what CSR means to them, therefore *good corporate citizen = involving in charity*

Institutionalisation of CSR – the importance of well-institutionalised CSR department was confirmed in this interview. When I asked the respondent why they are focused on community only, a part of the traditional reasons (perception for CSR, corporate culture and so on) he identified that they are not capable to focus on more stakeholders since they operate under another department and there is not separately organised CSR department.

Further, they are not involved in **measurement of CSR**, since he doesn’t know how to do that and doesn’t believe that is possible to measure the outcome of your CSR initiatives.

Community support – they are involved in long-term support programs and donate money to different charities, schools, initiatives, sports and so on, on annual basis. In order to verify the altruistic nature and genuine giving of this organisation, I’d like to mention that *they don’t report all the money they invest in the community*. Per example, the initiative to support bright students - the school directors are not aware of the exact amount of money that will be donated, the students do not know the source of the money, and this donation is not reported in the bank’s reports.

Further, they give back even in times of financial crisis. Per instance, for five consecutive

years they couldn't make any profits, but yet had invested in the community, **because they feel morally obliged to!!! You are responsible to give back!!!**

Some initial codes that deserve more attention and demonstrate the altruistic nature of the CSR program applied here:

- Not finding direct relationship between investing in the community and profitability
- Realising that his investments in the community will not increase profits/bring him new customers
- Identifying factors that potentially may bring you new customers (investing in the community is not among them)

Giving back money as a reason your customers to leave you – this has to be studied more. He said that some companies may leave you because you give money to the community.

Motivations to involve in CSR:

“God's been kind to us and we need to give back to the underprivileged people within this”

- **Recognising religion as the driver behind the altruism in their giving to community** (initial code) – he was very clear and he believes that **Islam is the main reason for that.**

Giving back as a moral duty is initial code that most probably will become analytic code. Focus on it!

Perceiving Muslims as more predisposed to give charity (initial code) – that explains their altruism and the nature of their CSR (or what they think CSR is) and of course the way they perceive CSR

Being Muslim as a prerequisite to involve in CSR (initial code)

Further, a strong misinterpretation of the four CSR dimensions was identified. He is not aware of the four basic responsibilities of business and believes that ethical CSR is the prevalent one in his organisation (after all this talk for genuine giving...)

Feeling good factor (in vivo code) - one of the core motivational factors here. Giving back is giving the donator sense of accomplishment, purpose of live and sense of personal satisfaction.

Human entity (in vivo code) – desire to be seen as more than 'a greedy' corporation who aims to steal people's money and is instead giving back and investing in community development.

to put our fingers into a lot of pies and get burn (in vivo code) – admitting the weak institutionalisation of their CSR, which consequently results is their inability to focus on more than one stakeholder group. This is one of the prerequisites this organisation to be focused on community only. As the respondent said, for them community is the most important group. They realised that they don't have the manpower to work with more than one group. Thus, since community is the most important group (due to religion, traditions and so on), they decided to concentrate their efforts on them only.

Improving community health (weak institutions -> different role of business)

Important! When government and different authorities and institutions are weak, business has to take care of community if the business wants to survive financially and to have customers to trade with. In developed countries business is not having this role since institutions are strong and they are helping the community. In developed countries business can focus on its primary role – to make money, while in developing countries business has to focus on community (because it needs clients to make business with) if it wants to make money. **Therefore, in the ME, business has different role!** It is not only a provider of goods and services, but also a tool to assist

government/institutions in their community services and is seen and viewed by community as authority that has the power and capabilities to improve their societal and economic conditions.

When it comes to **the internal factors** that impact on CSR, he pointed out financial capabilities of the organisation, commitment and cooperation. He was not able to identify external factors.

Personal motivations:

- Feeling of personal accomplishment
- Having a feeling of satisfaction
- Being committed to you do
- Getting back in a not material way

Theoretical Coding	Substantive Coding			Interview Data
	Focused Coding	In Vivo Coding	Initial Coding	
			<p>Identifying solidarity with the company and his own CSR views</p> <p>Being open for new customers Perceiving everybody in the country as a customer</p>	<p>How do you understand CSR as a concept and as a practice? Well, mine is a bit difficult to separate what I believe in and that the bank believes in, because what I believe in is what the bank is doing. Per example, ask me what my job is and what I would like doing and what I do, it's the same actually. Our CSR program over here in Bahrain, for my bank. First of all my bank is a retail bank – just to be clear, when you say retail bank, it's not investment, it's commercial bank, which means people come in on a daily basis, put money with us, take money out, use our products to buy products, so we are technically that bank. We are not a bank which says 'I don't wanna bank with you, or you are not my customer'. Everybody in the country is my customer who is eligible to open a bank account. So they have to have relationship with us. So based on that, that means, I cannot go after one specific audience, because we are... how to say that... our</p>

<i>Dimensions of CSR in ME</i>	Perceiving CSR as a stakeholder communication tool		<p>Identifying everybody as a potential customer</p> <p>Perceiving CSR as a tool to build up a brand</p> <p>Perceiving CSR as facilitating stakeholder communication</p> <p>Outlining the intensity of stakeholder communication</p>	customers are everybody, so our CSR initiatives should help us build up brand, should help us communicate with our stakeholders, which are our customers, and because they see us on a daily basis, we should be there in their face on a daily basis, we should advertise, and communicate with them on a daily basis. So that they know that we are not an elite bank or an elite organisation. They need to see that you know, I put my money on you, what kind of a person are you, what kind of a bank are you doing?.. you care for your the community, you care just about money, just profitability, or you care about people in the community, so based on that we decided, you know what..we have, every organisation at some point or another gives back to the community, but we believe that it is important to classify how you give back, what you give back and the associations you have in the community as an organisation, because we are in the public every single day. So based on that we decided, ok, let's follow. All organisations at one point or another have some form of CSR going on, they just don't know it's
<i>Dimensions of CSR in ME</i>	<p>Identifying care about community as increasing reliability factor</p> <p>Defining the importance of community approval</p> <p>Identifying high engagement in giving back</p>		<p>Identifying trust and reliability as an important factors for attracting customer</p> <p>Identifying care about community as increasing reliability factor</p> <p>Getting influenced in CSR to demonstrate care about community</p> <p>Identifying high engagement of business in giving back</p> <p>Identifying the importance of reporting</p> <p>Defining the importance of community approval</p> <p>Being exposed on the public as a prerequisite to involve in CSR</p> <p>Identifying high engagement in giving back</p> <p>Identifying lack of CSR awareness</p>	CSR, <u>because we don't have a</u>

<p><i>The structural ordering and operation of CSR in the organisation</i></p>	<p>Assimilating CSR with donations/charity</p> <p>Identifying serious lack of awareness of local people/business with CSR</p> <p>Developing community oriented CSR</p> <p>Exercising CSR as part of corporate communications</p>		<p>Identifying lack of CSR definition</p> <p>Assimilating CSR with donations</p> <p>Assimilating CSR with giving time to community</p> <p>Identifying serious lack of awareness of local people/business with CSR</p> <p>Demonstrating assimilation of CSR with charity</p> <p>Identifying community as the most important stakeholder</p> <p>Developing community oriented CSR</p> <p>Achieving positive results out of their CSR agenda</p> <p>Being aware of ethical CSR</p> <p>Being aware that CSR is related to employees</p> <p>Deciding to focus exclusively on community only despite the other CSR elements (identified by him above)</p> <p>Exercising CSR as part of corporate communications</p> <p>Comparing CSR to advertising, PR, events management (!!!) -> consequence of the department being responsible for it</p> <p>Developing limited CSR due to</p>	<p>definition for it. If you ask and organisation, ‘do you do (CSR)?’ they might say ‘no’, but if you say ‘do you give donations to people?’, they will say ‘yes’, ‘do you go out in the community and give your time to people?’, they will say ‘yes’. That’s why I said, different definitions (he is trying to say that people locally implement CSR – what we call CSR, but in their perceptions, they are making donations).</p> <p>My beliefs, what I believe we do in CSR is specifically community driven. Specifically. There are results out of it. You were right in pointing out that thing – CSR is about being ethical, having the right corporate culture and organisation, that’s good CSR, then rewarding employees – it’s a good CSR, it’s a social responsibility. But I believe the strongest part on which we can focus on is community. This was the point I was trying to make earlier. My organisation is how do we say this, it’s a bank, my department, me specifically I take care of corporate communications, CSR, so as part of corporate communications is CSR, it’s advertising, it’s public relations, events management, web site, institution, so it’s a broad road.</p>
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<p><i>Community as the core of CSR</i></p>	<p>Basing CSR on community donations</p> <p>Keeping community as a primary focus despite all changes</p> <p>Having the will to be seen as part of the community</p> <p>Having a good corporate citizen image as a way to attract customers' money</p>		<p>lack of employees</p> <p>Focusing on community</p> <p>Focusing on giving back</p> <p>Basing CSR on community donations</p> <p>Developing CSR agenda every year</p> <p>Being exposed on changes with the time</p> <p>Keeping community as a primary focus despite all changes</p> <p>Having exclusively community-oriented CSR</p> <p>Having the will to be seen as part of the community</p> <p>Giving back in order to receive back</p> <p>Having a good corporate citizen image as a way to attract customers' money</p>	<p>So, when we say CSR as part of it, I cannot completely focus on one particular area, because I don't have that many stuff, it's just three of us in the department. So we decided, ok, let's focus on CSR through community, let's give back to the community, as part of what we do and that's how we developed our CSR program over the year for the bank. At various times we've tried to add on to it, but the whole idea of our CSR program is to give back to the community, which we operate in, to be seen as a part of the community, and not, how do you say this, and not be seen as (not clear), we need the money of our customers, so we need to give back to the community we work in, so they will see us as a good corporate citizen. I think that is, that is how we based our CSR program.</p>
<p><i>Community as the core of CSR</i></p>	<p>Being unable to focus on more than one stakeholder group</p>		<p>Focusing exclusively on community only</p> <p>Being unable to focus on more than one stakeholder group</p> <p>Giving primary importance of</p>	<p>That is really interesting. On the basis of the things you shared with me, does it mean that the community is your primary focus of your CSR policy?</p> <p>Primary focus – absolutely correct! See!? As I said, it is very difficult to put our fingers into a lot of pies and get burn, so we decided, ok, let's focus on this community</p>

<p><i>Using CSR to be seen as a human entity</i></p>	<p>Having a CSR agenda composed by time and money as resources to be donated to community</p> <p>Developing CSR that would give you 'a human entity' image</p>	<p>human entity</p>	<p>community</p> <p>Selecting community as the most important stakeholder</p> <p>Giving money as part of CSR</p> <p>Giving time as part of CSR</p> <p>Investing time and money in the community as part of CSR</p> <p>Having a CSR agenda composed by time and money as resources to be donated to community</p> <p>Being a good corporate citizen as a motivation to involve in CSR</p> <p>Willingness to be seen as a human entity</p> <p>Developing CSR that would give you 'a human entity' image</p> <p>Willingness to be seen as more than a business who takes money</p> <p>Improving the brand image as a motivation to be 'a human entity'</p> <p>Obtaining 'a human image' in order to mitigate corporate face of banking operation</p>	<p>segment – the community we operate in and it's driven two ways – financially, so we give money out, and the second is we give our time also to the community we operate in. So there are two different things, one is – I help the community by giving them funds, number one, number two, I also help the community we operate in, by giving them our time. So this is how I explain both of them.</p> <p>I see, but why do you invest resources in the community?</p> <p>Because we'd like to be seen as a good corporate citizen. Isn't that why you do CSR? You have a program to be seen as a human entity, I suppose that just a corporation that just takes money. At the end is all the same – it's part of the brand. Now, everybody honestly, I am a banker at the end, I may say 'I am taking a care of communications, but I am a banker'. Nobody wakes up in the morning and sais 'I wanna go to my bank', none wants to get up in the morning and go and see the dentist. This is obligating. You need to go to the bank, because you need your money, you need to deal with the bank. So it's not fun, nobody thinks it's a fun organisation to deal with. They all look at bankers, look at the</p>
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<p><i>Using CSR to be seen as a human entity</i></p>	<p>Using CSR to mitigate the negative associations</p> <p>Using CSR to be perceived as part of the community</p> <p>Using allegory to explain the philosophy of his CSR – give back if you want them to give you their money</p> <p>Using CSR as a way to demonstrate respect for the community</p>		<p>Identifying banks with a negative associations Using CSR to obtain ‘a human face’</p> <p>Using CSR to be perceived as part of the community Using CSR to demonstrate care and respect</p> <p>Discussing the basic nature of banking Using allegory to explain the philosophy of his CSR – give back if you want them to give you their money Using CSR as a way to demonstrate respect for the community Demonstrating respect as a way to attract customers</p>	<p>society, everybody says ‘bankers are greedy, bankers are rich, they steal my money’ – that is the perception. CSR is one of the tools you use, which we use, to help negate this perception, to make us more approachable, to make us sound more like human, to tell people ‘we are just like you’ , ‘we are human beings, just like you’. The organisation I work for appreciates you, respects you and treats your value. How do I do that? Because my business is – you need to give me your money and I will give you services. I will not give you services without you doing something on your part, right? So this is my way of giving back to the community and respect the community.</p>
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APPENDIX 16 – THEORETICAL MEMO

Table 16.1– Theoretical Memo (Interview with SA3)

The words highlighted with **Bold** indicate initial codes (apart of general notes). They are put for mode detailed clarification of the focus codes and analytic categories.

Theoretical category: *Dimensions of CSR in ME*

Meaning: This analytic category aims to outline the practical (operational) and conceptual (ideological) dimensions of CSR in the ME. This gives us a good perspective of the philosophical foundation and grounding of CSR in the ME and how CSR is put into practice as part of the business operations.

Note: It is worth to mention that the respondent recognised the variety of different CSR concepts, which potentially may create certain confusions and misinterpretations of CSR in the ME region. Further, as was identified due the interview, the region is experiencing a serious lack of understanding and awareness of CSR, they don't have their own CSR concept and apparently are still relying on traditional understanding of social responsibility aligned and influenced by religious values and cultural traditions

- **Outlining the ideological dimensions of CSR in the region:** CSR is perceived as charity. I cannot say philanthropy, because philanthropy is usually associated with some form of strategic giving, while the form of social involvement identified in this interview is **a genuine giving without any expectations for direct or indirect return of this giving**. I cannot even say 'investment' because investing is associated with expectations for some potential return, while in the case of this organisation, all we can see is a genuine giving for the sake of providing better societal and economic conditions of the community. Thus, here we have a 100% **community oriented CSR**.
- **Outlining the practical dimensions of CSR in the region:**
Note: for the respondent was very important to be clear that he takes all the decisions regarding CSR, that CSR depends completely on his views and desires to be socially responsible towards different stakeholder groups or not. CSR depends on him only. In general, he perceives **CSR as a tool to communicate with stakeholders**. He genuinely believes that **everybody is a potential customer**, and as such CSR can be used to facilitate communication with existing or potential customers. Further he believes that **CSR helps for the building of a good brand**.
 Further, **CSR is used to demonstrate reliability of the organisation**, i. e. to demonstrate that the organisation is capable to give (not only to take money) back to the community, that is willing **to be part of the community** and to take care of it. For the same reason, CSR is used to seek community approval. It is important since the organisation is exposed on the public and how the public perceives the organisation determines its successful business.
 In general local business is **engaged in a lot of charity activity and giving of donations**. A strong **lack of awareness** was identified. It was confirmed also the unavailability of a specific CSR concept for the ME region. Thus it's not surprising that there is a **strong assimilation of CSR with donations/charity**, because local business still relies on traditional forms of social involvement.

Theoretical category: *The structural ordering and operation of CSR in the organisation*

This analytic category outlines how CSR is organised and operationalised in the organisation. The category is composed by the following focus codes. **Here we don't have a well institutionalised CSR in this organisation. However, this analytic category is not aiming to criticise but rather to demonstrate how CSR is being organised on a corporate level.**

- **Institutionalising CSR:** CSR is being exercised by the corporate communications department. There is not specifically allocated CSR department. Further, CSR is not being measured and the outcomes of their CSR initiatives are not clear. As the respondent

clarified, he doesn't know how to measure CSR and he doesn't believe that CSR can be measured (evidence for lack of awareness).

- **Organising CSR on executive and operational level:** CSR is being developed by the respondent only. He is consolidating his program with the CEO of the organisation and none else. Further CSR is not part of the business strategy of the organisation. According to the respondent, the CSR strategy cannot be mixed with the business strategy and they are exercised as two separate sectors on an executive and operational level. CSR is developed and executed by 3 people only.

Theoretical category: *Using CSR to be seen as a human entity*

This was interesting to notice not because of the marketing or commercial purpose of this initiative, but because, the respondent stated that along with many other reasons (mainly community oriented) he is implementing CSR in order to give a more 'human face' of his organisation, since banks are usually considered as greedy corporations that aim to steal people's money. **The following focus codes were selected to indicate the importance of this category:**

- Using CSR to demonstrate reliability: CSR can be used to demonstrate that the organisation and its interest go beyond money and they care about community, i.e. they are more than organisation who takes money, but also is interested in community well-being.
- **Seeking community approval:** you, as a business need to be accepted by the community in order to survive on the market. If community perceives you as a greedy corporation, they will isolate you. Here comes the role of CSR – to mitigate the negative image of corporations and to give them more 'human face'.
- **Developing CSR that would give you 'a human entity' image**
- **Using CSR to mitigate the negative associations**
- **Using CSR as a way to demonstrate respect for the community**
- **Using CSR as a way to be seen as part of the community**

Theoretical category: *Community as the core of CSR*

I don't know if I will find another interview where this category will be necessary, but is definitely needed here, since community is the only driving factor behind the CSR developed by this organisation. Other stakeholder groups are not taken into account.

- **Identifying the total exclusion of other stakeholder groups**
- Seeing CSR as community driven
- **Being focused on community only due to weak institutionalisation of CSR**
- **Being focused on community only due to cultural/religious traditions**
- **Giving importance of internal stakeholder of community:** this is important to be discussed because it demonstrates that they don't consider community as an external stakeholder but an internal one, because: "the community is ... we operate within it, we gonna give them money anyway. Suppose I have this money, if there's no community, I cannot give it to anybody. "that means – 1) for them CSR is clearly giving money away; 2) power relationships are based on who do you give your money to. Since community is the receiver here, they automatically obtain the importance and stakeholder power of an internal stakeholder. Identification for stakeholder power - due to their importance for the CSR of the bank, they are not perceived as external stakeholder, but as a primary one.
- **Using CSR policy specifically created for community:** community is the only stakeholder and the only beneficiary of the CSR here
- **Having community as the core of CSR:** the entire CSR is structured around community

Driving factors here are:

- **Weak institutionalisation: Being focused on community only due to weak institutionalisation of CSR** - the organisation is focused on community only since it is not capable to provide institutional support of the CSR planning and to expand its focus on more stakeholders. However, this is a very interesting information to identify. They admit that they don't have the institutional ability to focus on more than one stakeholder

group and they can afford to focus on only one, but because they believe that community is the most important stakeholder, they decide to focus on community. This is another information that supports the Middle Eastern Altruism (mentioned below). Why? Because they can focus on shareholders (to attract more money), they can focus on their customers (for the same reasons), on authorities, to be more ethical, to follow the law, to protect environment and so on... However, they are focused on the community.

- **Cultural/religious traditions:** having in mind the strong impact of these factors and the embedded tradition in the Arabic psyche to take care of the people in need, it's not surprising that CSR has such an altruistic nature.
- **Genuine willingness to help:** developing and exercising a CSR agenda that is all based on the community

All the factors are equally important and affect directly the implementation of CSR. From one hand, we don't have enough staff, we are still using zakat funds to fund CSR and we exercise CSR through the marketing department, which may explain to a certain extent why our policy is focused on community only. On the other hand, we have our traditions and Islamic values that require us to take care of people in need. Finally, we have the organisation's willingness to help the community.

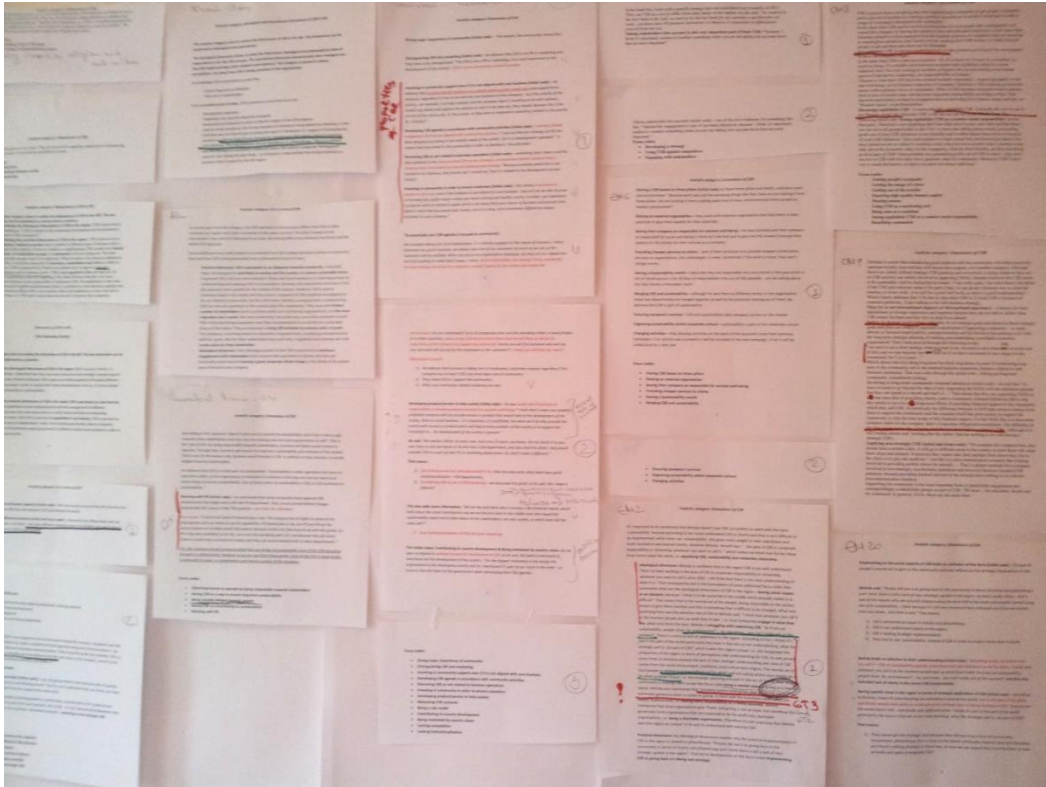
APPENDIX 17 – RESULTS OF MEMO SORTING

Table 17.1 – Summary of All Theoretical Codes Included in the Memos

Category	n
Impact of Islam on CSR	58
Interdependence between government and CSR orientation	24
Obstacles	49
Strategic zakat	32
Causes for the altruistic view of CSR	42
Institutionalisation of CSR	58
Role of media	7
The Middle Eastern approach to conduct business	11
Community as the core of CSR	52
Perceptions for CSR	63
Being a smart business	12
Motivations – organisational and personal	47
The negative side of being ‘Muslim’	9
Altruism in the Middle Eastern CSR	22
CSR as a way to reach God	34
Taking care of the community as a DNA	52
Incompatibility of conventional CSR with the Middle East	53
Strategic CSR	12
Distinguishing business and religion	12
Islam as a driving factor	48
Type and size of the enterprise as a prerequisite for different CSR	12
Process of stakeholder engagement	16
Dimensions of social role of business	13
‘Giving back’ as a form of CSR involvement	17
Dimensions of ‘giving back’	23
The process of transition from charity-based CSR to strategic CSR	4
The process of organising a strategic CSR	4
Properties of sustainability	2
The structural ordering and operation of CSR in the organisation	12
Success factor	2
Good corporate citizen and social welfare	9
‘Being good’ as a problem	2
CSR as an added value to the ethical grounding provided by Islam	12
Conceptual ordering of internal and external factors for CSR agenda development	11
Human trafficking and force labour – cause-effect relationship with CSR in the Middle East	2
CSR as an integration policy between employees	8
Conceptual ordering of achieving desired outcome	2
‘Doing the right thing’	3
Identification of ‘self’ as a reason for different perception for social role of business in the Middle East and Western world	5
Stage of development as a factor shaping the CSR agenda of the organisation	3
Engaging in CSR due to weak governmental presence	13
Reactive reasons to involve in CSR	12
Perceptions for sustainability	2
Social role of business	4
CSR as embedded in Islam	9
Impact of traditions	5
The process of CSR agenda development	21
Using CSR to be seen as a human entity	2
Dimensions of the social role of business in the Middle East	11
Getting involved in CSR as a reason for customers to leave you	1
The ideational norms and values behind perceiving business as morally obliged to support community	29
Zakat dimensions	7
Dimensions of CSR	54

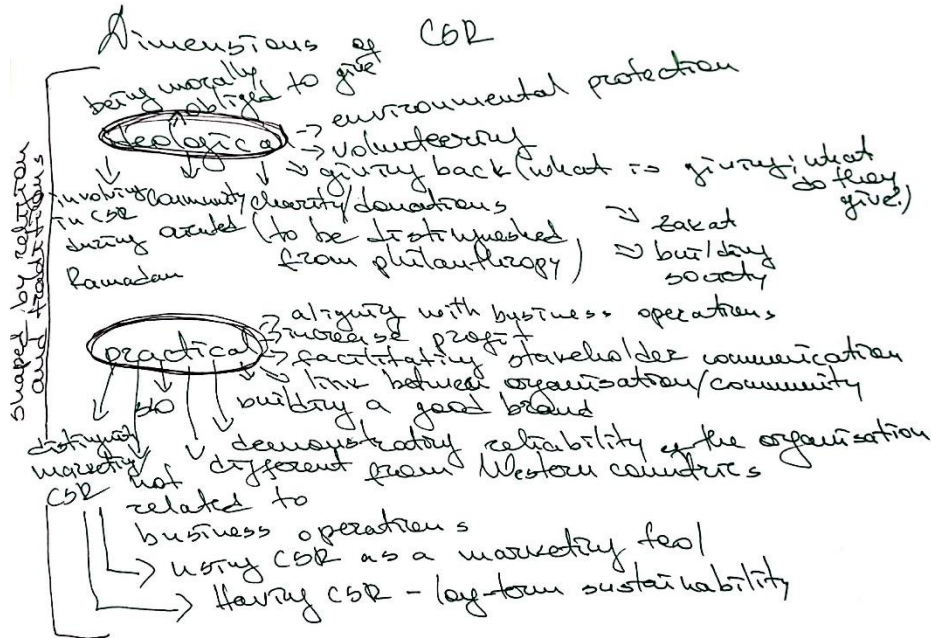
APPENDIX 18 – MEMO AND CATEGORY SORTING I

Figure 18.1 – Sorting of Memos of the Category “Dimensions of CSR”



APPENDIX 19 – DIAGRAMMING I

Figure 19.1 – Diagramming of the category “Dimensions of CSR”



DIMENSIONS OF CSR:

1. **Ideological:**

- 1.1. Being morally obliged to give
- 1.2. Environment protection
- 1.3. Volunteering
- 1.4. Giving back (what is giving, what do they give?)
- 1.5. Charity/donations (to be distinguished from philanthropy)
- 1.6. Community oriented
- 1.7. Involving in CSR during Ramadan
- 1.8. Zakat
- 1.9. Building society

Practical:

- 2.1. Aligning with business operations
- 2.2. Increase profit
- 2.3. Facilitating stakeholder communication
- 2.4. Link between organisation/community
- 2.5. Building a good brand
- 2.6. Demonstrating reliability of the organisation
- 2.7. Different from Western countries
- 2.8. SLO
- 2.9. Not related to business operations
- 2.10. Distinguishing marketing/CSR
- 2.11. Using CSR as a marketing tool
- 2.12. Having CSR – long-term sustainability

APPENDIX 20 – SORTING MEMO I

Table 20.1 – Sorting Memo “Dimensions of CSR”

Sorting of the theoretical category “Dimensions of CSR in the Middle East” identified the ideological and practical dimensions of CSR in the region; it also raised new questions that have to be examined further. The ideological dimension demonstrates how CSR is being perceived by respondents as a concept. The practical dimension indicates how CSR is being viewed as a business practice and how it is being implemented and for what purposes in the organisations. Ideologically, CSR is seen as a way **to give to community**. Giving is a very important component from the general view for CSR. **‘Giving’ is perceived as a moral obligation**. However, that leads to the question what is giving; what is being given and why ‘giving’ but not investment in the society? CSR is also seen as **a form of charity involvement** or **environmental protection**. This doesn’t imply philanthropy and that has to be clarified. Philanthropy indicates form of expectation and is usually practiced in an organised manner (see Bruch and Walter, 2005). This cannot be said for the charity-oriented view for CSR. **Volunteering** appeared to be another perception for CSR. Participants see CSR as a volunteering – contributing to community, people in need. In general CSR is seen as a way **to build society** and as such is considered as **a community oriented practice**. I identified that very commonly **CSR was equalised with zakat** and seen as identical to it. As such, that leads to the question: if CSR is seen as zakat does it mean that CSR is perceived as a way to make donations and helping people in need? Does it mean that CSR will be exclusively community oriented and other stakeholders will be neglected? How that will be accounted (consider niyya) and institutionalised in the organisation? As well, CSR is considered as an initiative that is being practiced during Ramadan. That is in reliance with the participants’ view that religion and local traditions shape the way CSR is practiced and perceive (NOTE: are these all factors or there are some others as well?) In general participants agree that there is not a commonly accepted definition for CSR and the region is **lacking a comprehensive understanding of the concept**. I also identified that CSR is considered as part of sustainability by some respondents while some others consider it as equal to sustainability. Practical dimension – CSR is used to **build a better brand** and **to facilitate stakeholder communication**. In general, it is used to link organisation and community. Respondents believe that their CSR efforts will **build the reliability of the organisation** since it will be seen as being able to give back to society, not only to take from it. CSR is **not required by law** and engagement in CSR is voluntary. Respondents recognise that **they practice CSR differently** than Western countries, since the respondents and their organisations work with different priorities and concerns. That leads to different CSR. What are these concerns? What are the factors that lead to different CSR? Results of sorting lead to contradicting thoughts – CSR is practiced as **a marketing tool** by some organisations while others **distinguish it from marketing**. Organisations also use it to **increase their profits** while some others prefer not to announce their CSR involvement (see SA3).

Companies use it to ensure their long-term sustainability and obtain SLO, while some others involve in it during Ramadan only. What are the reasons behind these differences?

Respondents recognise the impact of religion and traditions on CSR. That requires further examination and identification of other potential contextual factors that might lead to different ideological views for CSR and way of organisational practicing.

Moreover, sorting of the category showed that different organisations have different views for CSR and practice it differently. Thus, I have to find what leads to these differences – why CSR in one organisation means one thing and is being organised in one way while in another organisation we find totally different CSR? **NOTE:** country and industry of operation are definitely not factors. These differences were identified in organisations from the same country and industrial context. Moreover, some of the organisations work with community only as part of CSR, while others consider customers, environment, government and so on. What are the reasons for these differences?

Dimensions:

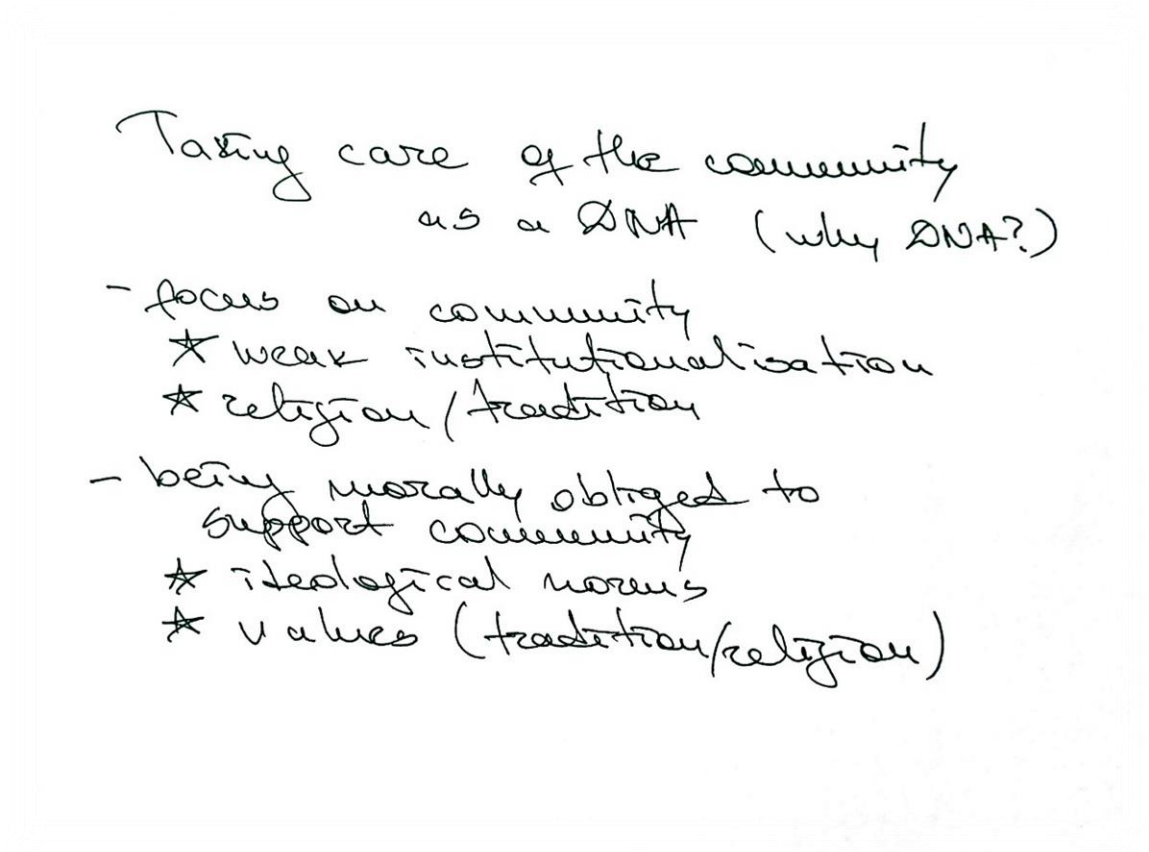
Ideological	Practical
<ul style="list-style-type: none"> Giving back Giving as a moral obligation Being part of/Being sustainability Volunteering Charity Community oriented Lack of clarity Building the society Involving in CSR during Ramadan Zakat 	<ul style="list-style-type: none"> Facilitating stakeholder communication Helps building a good brand Demonstrates reliability of the organisation Not required by law Having different CSR Link between organisation and community Aligned with business operations Not aligned with business operations Increase profit Distinguishing marketing and CSR Using CSR as a marketing tool Using CSR to obtain SLO Resulting in long-term sustainability

Figure 21.1 – Sorting of Memos of the Category “Taking care of the community as a DNA”



APPENDIX 22 – DIAGRAMMING II

Figure 22.1 - Diagramming of the category “Taking care of the community as a DNA”



TAKING CARE OF THE COMMUNITY AS A DNA (why DNA?)

Focus on Community

- Weak institutionalisation
- Religion/tradition

Being morally obliged to support community

- Ideological norms
- Values (tradition/religion)

APPENDIX 23 – SORTING MEMO II

Table 23.1 – Sorting Memo on “Taking care of the community as a DNA”

Phase 1:

“Taking care of the community as a DNA” was developed on the basis of one of the respondents’ comment: *“Taking care of community is part of our DNA”* (OM9). Sorting of memos of the category “Taking care of community as a DNA” identified that there are two main properties here – focusing on community and being morally obliged to support community. Sorting of the category demonstrated that its properties indicate the following information:

Taking care of the community as a DNA

1. Focusing on community

- 1.1. Weak institutionalisation
- 1.2. Religion / tradition

2. Being morally obliged to support community

- 2.1. Ideological norms
- 2.2. Values (tradition / religion)

Usually, organisations focus on community only as part of their CSR as other stakeholder groups are not taken into account. This appeared to be result of a **weak institutionalisation of CSR**. Community is the only stakeholder and the only beneficiary of the organisations’ CSR commitment. *The entire CSR initiatives are structured around community and their interests and community is the core of CSR*. Some organisations (see SA3) focus on community (as part of CSR) only since they are not capable to provide institutional support and to expand their focus on more stakeholders. However, this is very interesting information to identify. They admit that they don’t have the institutional ability to focus on more than one stakeholder group and they can afford to focus on one stakeholder only. They why they focus on community? Why community is so important? They can focus on shareholders (to attract more investments), they can focus on their customers (to increase profits), on authorities, to be more ethical, to follow the law, to protect environment and so on...

Answers could be partially found in religious values:

OM14 said: *“From Islamic point of view they are convinced by nature, maybe because they are Muslims, that they have to donate and they feel it as part of society and they do and they are generous about it.”*

“First of all, our nature is to take care of our community, our neighbours, which is the main driver and for the companies they need to focus on CSR” (OM9)

“Before we heard of CSR, we used to our religion request us to give from what we have and take care of the community and not to waste anything that’s good and so many things that our religion have instructed us not to do.” (EM10)

That indicates that for them CSR and looking after the community are equal and mean the same, because: *“before we heard of CSR... we used religion.. to give and take care of the community”* – before CSR they used their religious norms to give and look after the community, so they are habituated to give and be involved in community-oriented initiatives. This habit influenced them to refract CSR through their prism and keep being involved in community-oriented initiatives even after the introduction of CSR in the region. And although CSR is more than looking after the community, their cultural perceptions, religion and habits related to ‘giving back to the needy’ influenced them to refract CSR through their ‘cultural box’ and start implementing CSR as a community-oriented corporate policy.

However, Islam (through Hadith) encourages CSR behaviour towards all stakeholders, not only community and although religious and cultural norms are undoubtedly (as stated by respondents) among the most important factors for the community focus of CSR in the region, there are certainly more reasons for that. **Religion cannot be the only ones (or weak institutionalisation)!** This is not to say that I neglect the importance of religious and cultural factors – they play a great deal for CSR commitment but **I have doubts that they can be the only reason** for high pro-community oriented CSR approach in the region.

Morally obliged:

Respondents believe that they are **morally obliged** and responsible to give back to the community:

“For five years - 2007, 8, 9, 10, 11 – we never made a profit; we were a lost making bank. At that particular time my boss could have told me, ‘you know what, we are not making money from this (CSR), why wasting this money out of the poor profitability of the bank?’ He said ‘you know what, this is irrespective by whether you make money or you don’t make money. It still needs to go out in the people in our community who need it. Because just because we are making loses, it doesn’t mean that the community has stopped needing our money’ There always gonna be (needing our money)” (SA3)

I couldn’t help but investigate this matter in more details. We all believe, more or less that business has to be ethical, obey the law and help community to a certain extent. However, when I hear in times of financial crisis something like: *“this is irrespective by whether you make”*

money or you don't make money... just because we are making loses, it doesn't mean that the community has stopped needing our money'(SA3), I want to know why, because:

- 1) CSR is not required by law and organisations are not legally obliged to give to community, but respondents believe that they have to. SA3 believes that if he stops giving back, his bank will be even more profitable if they stop involving in CSR:

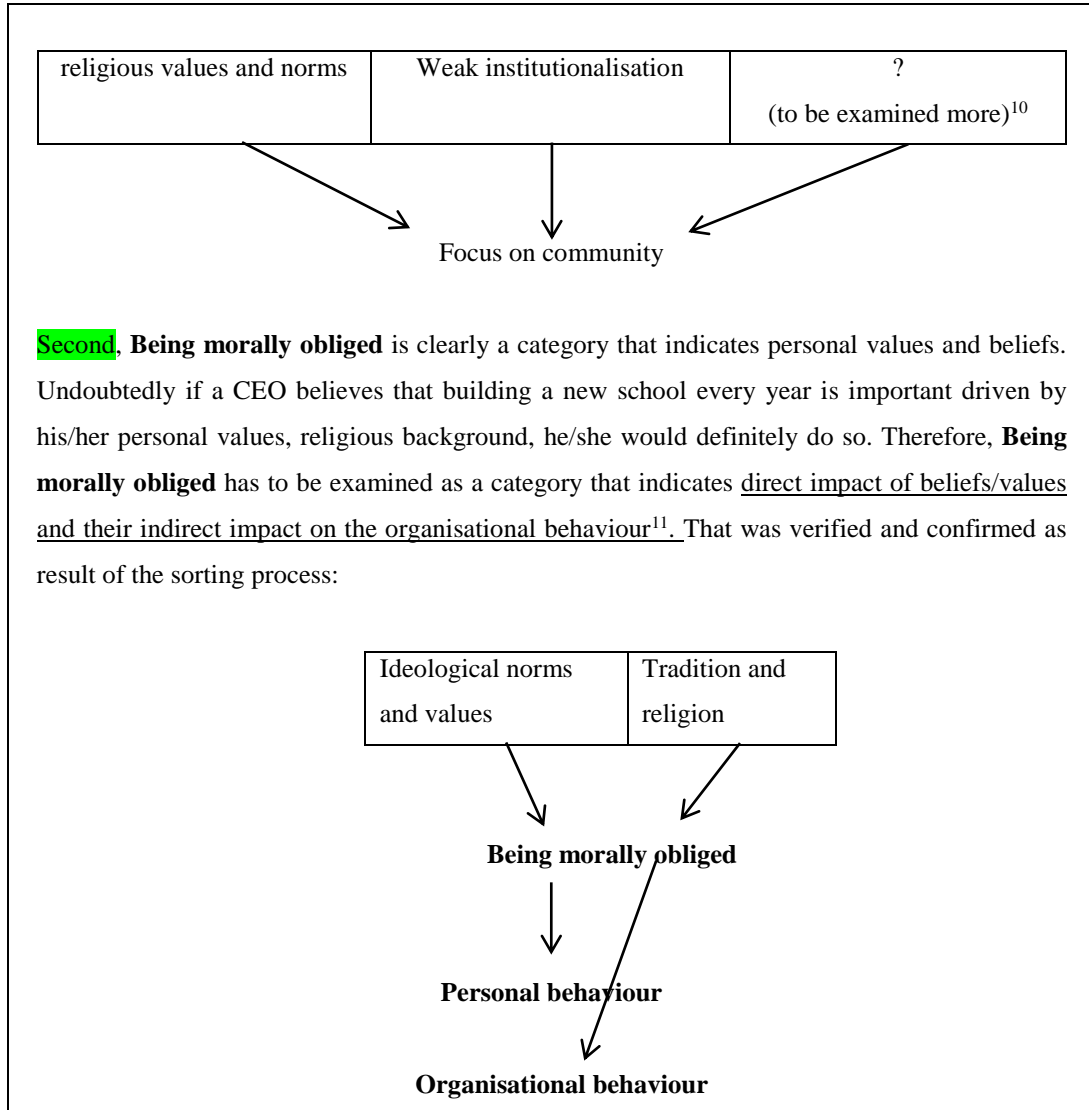
".. at the end of the day, it's not going to affect my profitability, honestly, if you actually put it down and say 'let's count today, we are not going to do anything for today or for the next year, let's look at our profitability'. And you know what... we might still be profitable or even more profitable. We could be."

- 2) He realises that he would make more money, then why he insists, even in times of deep financial crisis to give and to support community?

Feeling obliged (as a moral duty) to provide financial support to people and believing that **business is RESPONSIBLE to give back** are feelings deeply influenced by norms and beliefs - everything becomes clear through the following sentence: **"God's been kind to us and we need to give back to the underprivileged people within this (community)."** (identified in SA3; OM4; SA5; SA4). Ideational norms and values (Glaser, 1978) are considered as the reason why local business believe that they are morally obliged to support community.

Phase 2:

First, as a result of the sorting, refining and comparing of the category with other categories I reached to the conclusion that the properties **Focusing on community** and **Being morally obliged** represent two different patterns (Figure 7.3) that have to be examined as two separate categories and they cannot be included as properties of the same category since they are indicating different levels of analysis. I interpreted that **Focusing on community** is a more practical and organisational level-related dimension and it indicates factors related to decision-making processes in the organisation. Moreover, it also indicates that 'community' as a stakeholder group has a primary importance for the CSR activity in the region. Thus it has to encompass factors and elements that affect the corporate entity and organisational behaviour to concentrate efforts on community. As was mentioned above, religious values and norms were identified as impacting on decision-making processes in this regard. Weak institutionalisation was also identified as having impact on it, but I don't believe (and it is not serious to state) that Middle Eastern organisations focus on community only because they don't have the capacity or resources for a larger scope of operations. Thus more verification and reflection is necessary in order to find the other element/s that lead to highly pro-community oriented corporate behaviour as part of organisational CSR commitment. As such, for the time being the category would have the following shape:

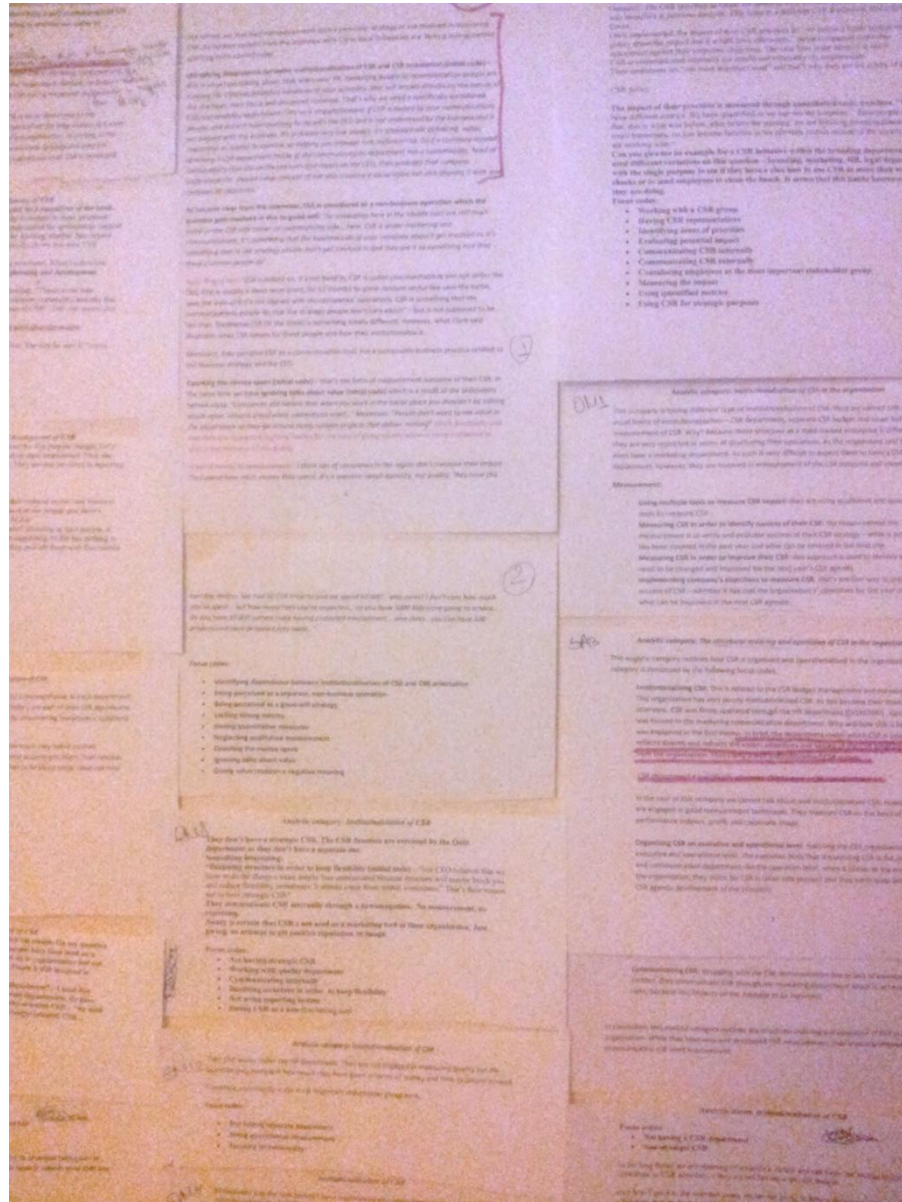


¹⁰ Consequently, it was identified that the question mark (?), i.e. the missing element here is actually 'government'

¹¹ As result, this information was used for the construction of Category 2.1

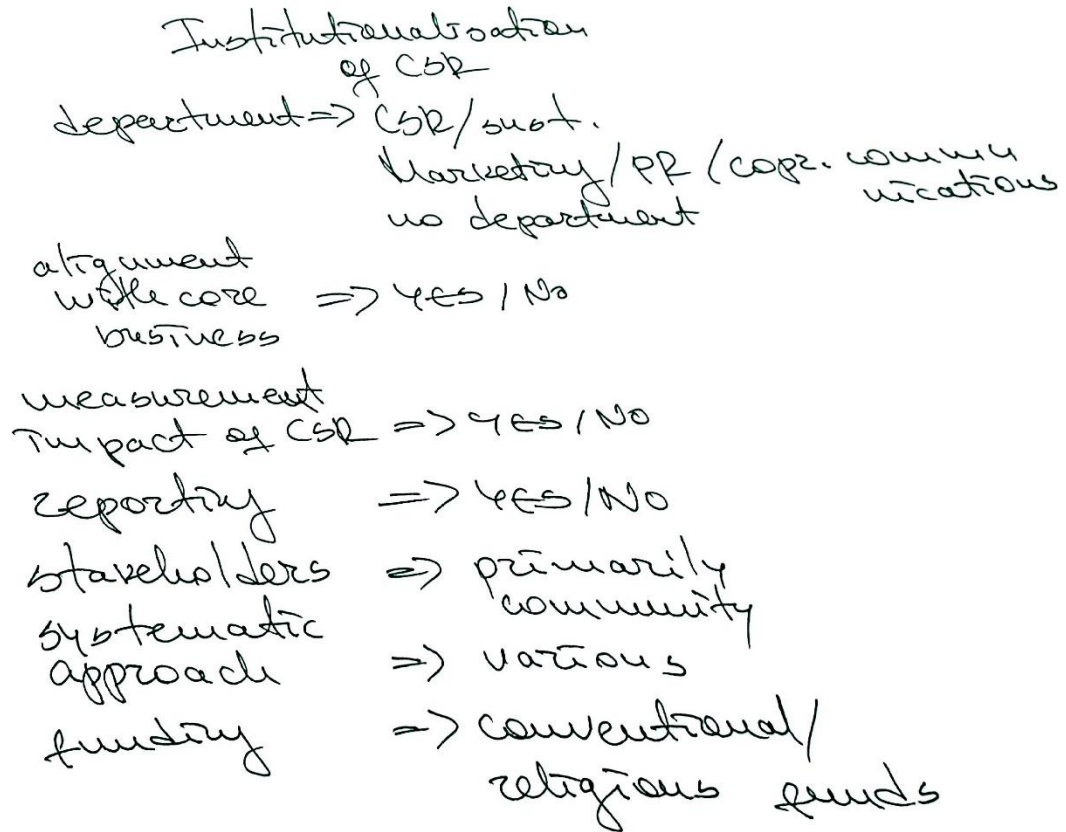
APPENDIX 24 – MEMO AND CATEGORY SORTING III

Figure 24.1 - Sorting of Memos of the Category “Institutionalisation of CSR”



APPENDIX 25 – DIAGRAMMING III

Figure 25.1- Diagramming of the category “Institutionalisation of CSR”



INSTITUTIONALISATION OF CSR

Department - CSR/sustainability; marketing/PR/Corporate communications; no department

Alignment with core business – yes/no

Measurement impact of CSR – yes/no

Stakeholders – primarily community

Systematic approach – various

Funding – conventional/religious funds

APPENDIX 26 – SORTING MEMO III

Table 26.1 - Sorting Memo on “Institutionalisation of CSR”

Category “Institutionalisation of CSR” identifies how CSR is *being exercised and operated on external or/and internal level*. Sorting of the category “Institutionalisation of CSR” showed that organisations give institutional shape to their CSR operations differently. We have organisations that align their CSR commitment with core operations and expertise but in the same time we have organisations that operate with CSR in a much unstructured manner that result in non-strategic approach to CSR. Similarly, some organisations work with a CSR agenda – annual plan carefully developed to guide them through the year in their CSR commitment. As such the organisations have a specific agenda and know when and in what kind of CSR practices they will involve. On the other hand, we have organisations that involve in CSR on random principle – when necessary (e.g. a NGO needs sponsorship) or religious and national celebrations. Moreover, organisations have different vision about the duration of their commitment – some consider it as a long-term engagement, while for some others this is short-term, not regular involvement.

I also identified that some organisations use zakat funds and/or conventional budgets, or zakat only to sponsor their CSR commitment. Differences were identified in reporting and measurement as well. Also, organisations operate their CSR through different departments, ranging from no department at all to Sustainability/CSR department. Who is the final beneficent (stakeholder group/s of interest) varies among organisations as well – some of them work with multiple stakeholders, while some others concentrate CSR efforts on community only. They differ in what they give as well – some of them give knowledge, some other money and volunteering.

Further comparison of the data and CSR approaches implemented by the organisations suggested that they differ in their vision and perception for CSR that consequently reflects on the CSR objectives they will develop as well as their institutional approach to CSR. These factors exert impact regardless of the industry, size, and type of business or country of origin of the organisation. Organisations with similar characteristics can differ significantly with the manner of institutionalisation of their CSR as we can observe highly institutionalised CSR in small companies or no institutionalisation in a company with international presence.¹²

¹² These differences and the reasons behind them resulted in the construction of Category 1.1 and Category 1.2

APPENDIX 27 – SORTING MEMO IV

Table 27.1 – Sorting Memo on “Relationship between Government and CSR Orientation”

Due the sorting of this category, I identified that government plays an enormous role and importance for CSR activity in the region – it is a very important component for CSR engagement, it impacts on what is going to be delivered as a CSR practice and what will be the objectives behind this practice; the insufficient scope of governmental support also impacts on CSR orientation.

4) **Involvement in CSR is highly politically reasoned:**

“Governments here [...] do a lot about what the organisations’ responsibility is to give back you know to the society. So I think that sometimes it might be this misunderstanding coming because of what the government said as well so...” and “I think there is definitely that influence and I think that’s coming also from the government that we are having that responsibility as an organisation”

(EM2)

5) **Government have impact on what is going to be developed as a CSR initiative.**

“The problem is that these people are not engaging with their broad range of stakeholders but with the minister of oil and gas, minister of education, central bank and ask them what you want and they tell ‘we want this’ and they give it to them. People might be interested in something totally different like financial education [but] business people are looking for short term results and return so they are going to make this immediate response to the client” (EM13)

“One year the crown prince initiated something around and I said ‘you know, I don’t think we need to do this, because we’re doing we are focusing on this and focusing on that’ and it went through the board and they said ‘no we have to’. I think that’s political. In this part of the world there’s definitely political influence” (EM2)

As a result, organisation may involve in CSR that is not directly related to their vision and objectives but to the vision and objectives of the government.

6) **Weak governmental and institutional presence leads to different role of business and impacts on CSR orientation:**

“So there is, you know, a lot of charitable staff, especially in areas where they are not necessarily huge national budgets, such as the special needs schools and all of these things. A lot of organisations, what they do now is very much more about social sponsorship and things like that, to give money to those sorts of things” (EM2)

“There’s some contribution from the government, but at the end of the day, in Oman we have 120 associations that get contributions from the government, but they are depending a lot on the private sector.” (OM18)

Governmental institutions are not able to provide sufficient support to all factors requiring their presence and as such business undertakes that responsibility to a large extent and initiate societal support. Inevitably that impacts on the CSR orientation of CSR behaviour.

APPENDIX 28 – INSTITUTIONALISATION OF CSR IN SAMPLE ORGANISATIONS

Table 28.1 – Institutionalisation of CSR in Sample Organisations

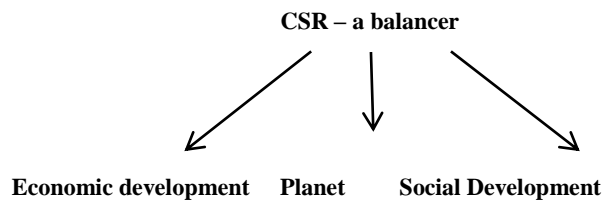
№	Initial	Sample group	Institutionalisation of CSR	№	Initial	Sample group	Institutionalisation of CSR
1	SA1	PLCs	Institutionalised	33	EM13	GOs	N/A
2	SA2	PLCs	Semi-institutionalised	34	OM17	NGOs	N/A
3	SA3	PLCs	Semi-institutionalised	35	OM18	SMEs	Institutionalised
4	OM1	PLCs	Institutionalised	36	EM14	SMEs	Not-institutionalised
5	SA4	PLCs	Institutionalised	37	SA5	SMEs	Semi-institutionalised
6	EM1	PLCs	Institutionalised	38	SA6	PLCs	Institutionalised
7	EM2	PLCs	Institutionalised	39	EM15	SMEs	Not-institutionalised
8	OM2	PLCs	Institutionalised	40	EM16	SMEs	Not-institutionalised
9	OM3	SMEs	Semi-institutionalised	41	EM17	SMEs	Semi-institutionalised
10	OM4	PLCs	Not-institutionalised	42	EM18	SMEs	Not-institutionalised
11	OM5	SMEs	Semi-institutionalised	43	EM19	PLCs	Semi-institutionalised
12	OM6	SMEs	Semi-institutionalised	44	EM20	PLCs	Semi-institutionalised
13	EM3	SMEs	Not-institutionalised	45	OM19	PLCs	Institutionalised
14	OM7	SMEs	Institutionalised	46	OM20	PLCs	Semi-institutionalised
15	EM4	PLCs	Institutionalised	47	OM21	SMEs	Semi-institutionalised
16	EM5	SMEs	Not-institutionalised	48	OM22	SMEs	Institutionalised
17	EM6	SMEs	Semi-institutionalised	49	OM23	SMEs	Semi-institutionalised
18	EM7	GOs	N/A	50	OM24	SMEs	Semi-institutionalised
19	EM8	SMEs	Semi-institutionalised	51	SA7	PLCs	Institutionalised
20	EM9	SMEs	Not-institutionalised	52	SA8	PLCs	Semi-institutionalised
21	EM10	SMEs	Not-institutionalised	53	SA9	PLCs	Semi-Institutionalised
22	EM11	SMEs	Not-institutionalised	54	SA10	PLCs	Semi-Institutionalised
23	OM8	PLCs	Semi-institutionalised	55	SA11	SMEs	Semi-institutionalised
24	OM9	PLCs	Institutionalised	56	SA12	SMEs	Semi-institutionalised
25	OM10	NGOs	N/A	57	SA13	SMEs	Not-institutionalised
26	OM11	PLCs	Semi-institutionalised	58	SA14	SMEs	Not-institutionalised
27	OM12	NGOs	N/A	59	SA15	SMEs	Semi-institutionalised
28	OM13	PLCs	Semi-institutionalised	60	SA16	NGOs	N/A
29	OM14	GOs	N/A	61	SA17	GOs	N/A
30	OM15	PLCs	Not-institutionalised	62	SA18	PLCs	Institutionalised
31	OM16	PLCs	Institutionalised	63	SA19	PLCs	Semi-institutionalised
32	EM12	SMEs	Not-institutionalised				

APPENDIX 29 – SORTING MEMO V

Table 29.1 – Sorting Memo on “Perceptions on CSR”

Category “Perceptions of CSR” deals with how respondents view CSR. Sorting of memos on “Perceptions on CSR” led to identification of the following facts:

1.CSR is perceived as a corporate approach aligned with the triple bottom line (people, profit and planet) of the business model and looks after social concerns of the society. It leads to a balanced development of society and business where CSR plays a balancing role between these three factors (OM3):



Moreover, CSR can be used to generate profits while companies help people in developing countries to progress. CSR is a win-win strategy. CSR is seen as equal to the concept of sustainability (!!!). They mean the same and are used interchangeably (OM7; OM13). Nevertheless, the focus is on community and all CSR efforts are concentrated on community related initiatives. However, some other respondents distinguish CSR from sustainability as they see the former as a small component of sustainability (OM2). CSR is associated with charity, while sustainability deals with a broader aspect of activities. CSR is executed as a practice that aims to provide sustainable and long-term positive impact for community and business (OM4; EM7). There's impact of the vision and objectives held by respondents and their attempt to create social value.

2.On the other hand we have respondents who share completely different view for CSR. They see CSR as a corporate practice dedicated to ensure sustainable community development by providing educational and volunteering initiatives and social campaigns to community (OM6). CSR is seen as a form of corporate sponsoring, giving charity, giving back to community. It is a social practice dedicated to people (EM8). CSR is an external operation not aligned with core business operations or with the economic stability of the organisation (EM10). Social and economic impact of the CSR initiatives is short-term and not sustainable. Similarly, the view and objectives for CSR affect the final results of the CSR practices (EM18; SA13). CSR here is:

CSR = charity

That leads to the conclusion that in the Middle East we have two general views for what CSR is – one that aligns CSR with core business and strategic planning and one that is not. Some respondents believe that CSR can lead to economic stability of the company, some other relate CSR to charity initiatives only. **Reasons for these differences have to be examined in more details! Some possible reasons could be – religion, weak governmental efforts to provide opportunities for social development.**

In general, all respondents agree that CSR is relatively unknown concept there and they are lacking a specifically created CSR concept for their needs. The second common element is that regardless of their view, they all believe that CSR means giving back! Different dimensions of giving back were identified thorough the course of sorting that will be presented in a separate memo. 'Giving back' is going to be examined as a separate category due to various approaches implemented to 'give back' and perceptions for what 'giving back' means.

In general, according to respondents:

- CSR is in a very early stage of development
- Local business is lacking CSR knowledge
- Companies develop their CSR programs in reliance with government objectives.
- Differentiates significantly from the Western countries' CSR initiatives and CSR approach
- CSR is generally not expected or required by customers and that affects its institutionalisation
- CSR is associated with giving (money, time, volunteering) to community. However, what I identified is that the charity orientation is a product of a 'vicious circle' – on one hand we have local companies that promote charity and community oriented CSR. That creates 1) dependent on corporate financial and material support citizens and 2) result in community who is not willing to accept any other form of support apart of financial support:

"Per example the area where is our project is very difficult to find educated people, because they are all fisherman. We want to give 2-3 years; we give them a full scholarship to Austria. We tried to find 1% of this area to give them this scholarship, we couldn't. They don't want to study, they just want to go out and fish and go back to home. Imagine you are going to Austria and hundreds of thousands are paid for you..."

(OM6)

"For poor families they are looking for food, support to pay their bills, but when we told them [that] 'we provide you with a training program that will increase your opportunity to get a job', 'no, I don't need that, I am looking for a donation that will help me now.'" (OM16)

So it is not only local business but actually local people prefer to rely on donations, instead of investing long-term in something more sustainable like education. Therefore is not surprising that business is involving heavily in making donations.

APPENDIX 30 – SOURCES OF CSR FUNDS OF THE EXAMINED ORGANISATIONS

Table 30.1 – Comparison between CSR Funding and CSR Model Applied by Sample Organisations

Initial	Islamic CSR Funds	CSR orientation	Initial	Islamic CSR Funds	CSR orientation
SA1	Yes	Semi-Integrated	EM13	-	-
SA2	Yes	Expanded	OM17	-	-
SA3	Yes	Expanded	OM18	Yes	Semi-Integrated
OM1	No	Integrated	EM14	Yes	Charity-Oriented
SA4	Yes	Semi-Integrated	SA5	Yes	Expanded
EM1	No	Integrated	SA6	Yes	Semi-Integrated
EM2	Yes	Integrated	EM15	No	Charity-Oriented
OM2	No	Integrated	EM16	No	Charity-Oriented
OM3	Yes	Expanded	EM17	Yes	Charity-Oriented
OM4	Yes	Charity-Oriented	EM18	Yes	Charity-Oriented
OM5	Yes	Expanded	EM19	Yes	Expanded
OM6	Yes	Charity-Oriented	EM20	No	Expanded
EM3	Yes	Charity-Oriented	OM19	No	Charity-Oriented
OM7	Yes	Semi-Integrated	OM20	No	Charity-Oriented
EM4	No	Semi-Integrated	OM21	Yes	Expanded
EM5	Yes	Charity-Oriented	OM22	Yes	Semi-Integrated
EM6	Yes	Expanded	OM23	Yes	Charity-Oriented
EM7	-	-	OM24	Yes	Charity-Oriented
EM8	No	Expanded	SA7	Yes	Integrated
EM9	Yes	Charity-Oriented	SA8	Yes	Expanded
EM10	No	Charity-Oriented	SA9	Yes	Expanded
EM11	Yes	Charity-Oriented	SA10	Yes	Charity-Oriented
OM8	No	Charity-Oriented	SA11	Yes	Charity-Oriented
OM9	Yes	Semi-Integrated	SA12	Yes	Expanded
OM10	-	-	SA13	Yes	Charity-Oriented
OM11	Yes	Charity-Oriented	SA14	Yes	Charity-Oriented
OM12	-	-	SA15	Yes	Semi-Integrated
OM13	No	Expanded	SA16	-	-
OM14	-	-	SA17	-	-
OM15	Yes	Charity-Oriented	SA18	Yes	Semi-Integrated
OM16	No	Semi-Integrated	SA19	Yes	Expanded
EM12	Yes	Charity-Oriented			

APPENDIX 31 – STAKEHOLDER POWER

Table 31.1 – Properties of Stakeholder Power

Response	What is a stakeholder power?	Who holds this power?
<p><i>“...our main stakeholder is youth, but why youth? Because those are the most important and valuable resource that any country has and if you look at the current demographic situation in Oman, you will see that almost half of the nation are below the age of 30 and probably 75% are below the age of 40 and this is a huge in fact potential for the nation...”</i></p> <p style="text-align: center;">(OM1)</p>	<p>-Being a country’s resource</p> <p>-Being a country’s potential</p>	Youth
<p><i>“Because youth in Oman now they are driving all the changes in the country. And I think that applies not only to Oman but it applies to most of the Arab countries. So if you get your social licence to operate from youth, then you have a very sustainable business in Oman.”</i> (OM4)</p>	-Driving changes in the country	Youth
<p><i>“60% of the population here is youth, that it a huge potential, so we need to focus on them to build their skills and to take more care of them, more than before”</i> (OM12)</p>	-Being a country’s potential	Youth
<p><i>“70% of people living in the region are below age of 40. That is a huge potential! If you don’t keep them happy that may cause you problems!”</i> (SA5)</p>	-Being a country’s potential	Youth
<p><i>“...because unemployment was one of the reasons for the Arab Spring. Now companies are focusing more on employability and investing in youth because they drive all the changes in the region.”</i> (EM17)</p>	-Driving changes in the country/region	Youth
<p><i>“Mainly youth because we have to build a sustainable society, educated and strong workforce. That will ensure sustainable future for the country too”</i> (SA1)</p>	-Being a country’s potential	Youth

<p><i>“There are needs out there in different communities, you know, related to youth and education and we are working and growing in an emerging market location, so education is really a big deal. Because these societies are struggling in a burden and we want to make sure that all young people are well educated so they can become fully employed. This is an issue for us. It’s an issue for our employees. And we think that’s the right thing to do. That’s why we have this as one of our priorities.” (SA2)</i></p>	<p>-Being a country’s potential</p>	<p>Youth</p>
<p>Which is the most important stakeholder group for your CSR practices?</p> <p><i>“Mostly the youth, different parts of them. One part is kids, because we have a school here and we are doing different projects in this school, because they are the coming generation. The youth because they are the generation that is building now.” (OM6)</i></p>	<p>-Being a country’s potential</p>	<p>Youth</p>
<p>Which is the most important stakeholder group for your CSR practices?</p> <p><i>“Society, they have so many expectations, especially for youth who are not in a position of wealthy... they demand not just from the government, they demand from companies which are operating whether it’s locally or international, they demand more.” (OM2)</i></p>	<p>-Having demands from the country -Having demands from the company</p>	<p>Youth</p>
<p>Which is the most important stakeholder group for your CSR practices?</p> <p><i>“This is definitely the group of young people. Youth is our main stakeholder group. Around 70% of our campaigns are targeting young people because they represent significant part of the country population and you must satisfy their demands.” (EM14)</i></p>	<p>-Being a country’s potential -Having demands from the company</p>	<p>Youth</p>

APPENDIX 32 – DIMENSIONS OF ‘GIVING BACK’

Table 31.1 – Dimensions of ‘Giving Back’

Respondent	Comment	Identifies	Dimensional form/Property
SA8	What are your motivations to work with CSR? “My personal motivation has always been giving back to the country I live in.”	Motivation	Personal
SA2	What are your motivations to work with CSR? “And we saw that part of our global presence, part of our global DNA should be that we are a company that wants to give back. So giving back was a big thing. Giving back and doing the right thing is the biggest motivator for us.”	Motivation	Personal
OM1	You said you perceive CSR as giving back to the community... how do you understand giving back? What do you mean by giving back? “Giving back is not in the traditional, classical way in which you know, you can donate money through philanthropic activities but giving back has to be associated always with knowledge, knowledge sharing and capacity building of course and sustainably rewarding back your community.”	Using Multiple Approaches to Give	Practice
OM2	What are your perceptions for CSR? “I believe social responsibility includes in fact that, ok, company should give back to society. I mean, company that I work for, utilises the resources of the country, getting all the different facts, being environment or human resources and capital. I think it is more of, I would say, fair companies give back to the society and the way of giving is different, not necessarily cash. Nevertheless, what I see and what I see that companies look at it from a different perspective – they look at it more as a marketing tool.”	Indicator for Ethical Business & Marketing Tool	Practice

OM8	<p>So for you CSR means giving back to the community. In what sense you are giving back and how exactly you are ‘giving’?</p> <p>“Currently, what I’ve seen around, most of the organisation would see it from a monthly budget point of view – we have a budget and we have to spend and that’s fine, that’s ok... but it doesn’t have to stop there. There are a lot of things that you can provide them with, services, services to motivate employees starting from the top to the bottom to actually go there and participate in CSR which we don’t really see a lot here in Oman. Most of the time is a company spends money, the logo is on the event, all over the place and that’s our part – we’ve got enough marketing in the newspapers and in the radio and that’s it.”</p>	Marketing Tool	Practice
OM18	<p>Why giving back to community is important?</p> <p>“Because of the negative reputation of the banks in general, giving back to the community is very important, so we can show that we are contributing, not only taking.”</p>	Indicator for Ethical Business	Practice
EM17	<p>You mentioned ‘giving back to the community’. What do you understand by ‘giving back’?</p> <p>“Giving back to the community is taking part of our profit as part of our social responsibility and give it back to the community.”</p>	Moral Obligation	Perception
EM10	<p>What CSR means for you?</p> <p>“Means sponsoring per example, giving charity, giving back to the community as I said in the beginning. It’s a social, it’s back to the people. Whether you are giving to poor people or you are giving it to develop education, to develop infrastructure, that’s what’s giving back.”</p> <p>So can you say that you see CSR as...</p> <p>“...giving back...”</p>	Using Multiple Ways to Give	Practice
OM19	<p>And in this sense, if it has nothing to do with the economic factors here, then what it has to do with?</p> <p>“It has to do, again as I said, how much the organisation is giving, how much they care about the community, how much they see themselves as responsible for developing the country that they are working in.”</p>	Basic Responsibility of the Organisation	Pratice

EM8	<p>You mentioned something very interesting -‘giving back’. What do you mean by giving back?</p> <p>“In fact we give.... We don’t focus on the monetary side of it. We try to give back per example we do visits to elderly homes and we try to interact with them, we have this.. how was it called... we go to special centres and try to support them and volunteer a lot.”</p>	Using Multiple Ways to Give	Practice
SA3	<p>How do you perceive CSR?</p> <p>“Every organisation at some point or another must give back to the community, but we believe that it is important to classify how you give back, what you give back and the associations you have in the community as an organisation, because we are in the public every single day. All organisations at one point or another have some form of CSR going on, they just don’t know it’s CSR, because we don’t have a definition for it. If you ask an organisation, ‘do you do CSR?’ they might say ‘no’, but if you say ‘do you give donations to people?’, they will say ‘yes’, ‘do you go out in the community and give your time to people?’, they will say ‘yes’.”</p>	Basic Responsibility of the Organisation & Using Multiple Ways to Give	Practice

APPENDIX 33 – SORTING MEMO VI

Table 33.1 – Sorting Memo on “Dimensions of ‘giving back’”

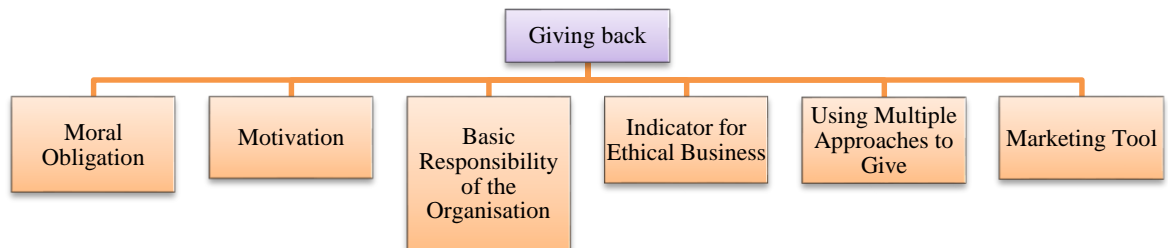
CSR is a genuine act of giving. It seems that ‘giving’ the word and the act itself is inseparable factor from the CSR practices of the companies. Which indicates that they perceive CSR as:

- Responsibility to give back to the community
- Responsibility to contribute for the community through acts of giving

Giving back – CSR in the Middle Eastern region is perceived as an act of ‘giving’. ‘Giving back’ in general is associated with altruistic, unstructured, community based acts of donating monetary and non-monetary support. ‘Giving back’ illustrates the notion of CSR and the corresponding CSR related policies implemented in organisations.

But what is **‘giving’**?

In order to illustrate it better and to demonstrate how respondents perceive ‘giving back’ from different perspectives and different angles I use the diagram below:



These elements illustrate different forms of ‘giving’. ‘Giving’ is seen as:

- Moral obligation – As discussed in the sorting code “Taking care of the community as a DNA”, respondents feel and believe that they are morally obliged to give back to people. As such it the element of moral obligation also has to be included here as one of the dimensions of giving back and how giving back is performed. Believing that one is morally obliged to give (“Taking care of the community as a DNA”) results in acts of giving (“Dimensions of giving”) being considered as moral obligation.
- Motivation – respondents find ‘giving back’ to community as a highly motivational driving factor for their CSR commitment. Motivations for giving have personal and practical dimensions.
- A basic responsibility of the organisation – i.e. the organisation is expected by default to give and be involved in community initiatives
- Giving is used as an indication to demonstrate how fair a business is
- The organisation could get involved in various forms of giving and give various tangible and intangible resources
- A marketing tool – giving and the acts of giving can be used to attract customers and get the emotional appeal of various stakeholders.

The fishing metaphor is a specific metaphoric way to illustrate a particular attitude and a mode of approach towards CSR. The expression “We don’t give them a fish, but we teach them how to fish” was identified multiple times and generally demonstrates the mode of ‘giving’ performed by organisations. Instead of ‘giving’ the community a fish (charity oriented /expanded CSR) they teach them how to fish (semi-/integrated CSR). That indicates desire to give knowledge, skills and expertise that would ensure community’s sustainable growth and development; indicates long-term impact.

APPENDIX 34 – CSR MODELS OF THE EXAMINED ORGANISATIONS

Table 34.1: Summary of the CSR Approaches

	Charity-Oriented CSR	Expanded CSR	Semi-Integrated CSR	Integrated CSR
Focus	Primary focus - community	Primary focus - Community	Primary focus – community; Secondary focus – employees, governments, NGOs, environment	Primary focus – community; Secondary focus – employees, shareholders, customers, suppliers, governments, NGOs, environment
Initiatives	Financial and material aid, volunteering and cleaning of environment	Financial and material aid, volunteering and cleaning of environment; building of schools, hospitals, educational initiatives.	Long-term commitment and dedication to various stakeholder-inspired CSR initiatives	Long-term commitment and dedication to various stakeholder-inspired and core-business-based CSR initiatives
Institutionalisation	Absence of institutionalisation, systematic or strategic approach; CSR is not aligned with core business; Periodic or short term involvement; Lack of accounting and measurement of CSR impact; Possible religious funds	Non - / semi-institutionalised, systematic – external assessment, no strategic approach; CSR is not aligned with core business; Periodic to long- term involvement; Possible accounting and measurement of CSR impact; Possible religious funds	Highly institutionalised; CSR is not aligned with core business; Long-term involvement; Accounting and measurement of CSR impact; Possible religious funds	Highly institutionalised; CSR is aligned with core business; Long-term involvement; Accounting and measurement of CSR impact; Possible religious funds
Outcome	Lack of ability to deliver strategic or social value	Lack of ability to deliver strategic or social value	Positive social impact (and possible strategic corporate value)	Positive social impact and strategic corporate value

APPENDIX 35 – CSR APPROACHES OF THE EXAMINED ORGANISATIONS

Table 35.1: CSR Approaches of Sample Companies

SA1	PLCs	Semi-Integrated	OM17	NGOs	-
SA2	PLCs	Expanded	OM18	SMEs	Semi-Integrated
SA3	PLCs	Expanded	EM14	SMEs	Charity-Oriented
OM1	PLCs	Integrated	SA5	SMEs	Expanded
SA4	PLCs	Semi-Integrated	SA6	PLCs	Semi-Integrated
EM1	PLCs	Integrated	EM15	SMEs	Charity-Oriented
EM2	PLCs	Integrated	EM16	SMEs	Charity-Oriented
OM2	PLCs	Integrated	EM17	SMEs	Charity-Oriented
OM3	SMEs	Expanded	EM18	SMEs	Charity-Oriented
OM4	PLCs	Charity-Oriented	EM19	PLCs	Expanded
OM5	SMEs	Expanded	EM20	PLCs	Expanded
OM6	SMEs	Charity-Oriented	OM19	PLCs	Charity-Oriented
EM3	SMEs	Charity-Oriented	OM20	PLCs	Charity-Oriented
OM7	SMEs	Semi-Integrated	OM21	SMEs	Expanded
EM4	PLCs	Semi-Integrated	OM22	SMEs	Semi-Integrated
EM5	SMEs	Charity-Oriented	OM23	SMEs	Charity-Oriented
EM6	SMEs	Expanded	OM24	SMEs	Charity-Oriented
EM7	GOs	-	SA7	PLCs	Integrated
EM8	SMEs	Expanded	SA8	PLCs	Expanded
EM9	SMEs	Charity-Oriented	SA9	PLCs	Expanded
EM10	SMEs	Charity-Oriented	SA10	PLCs	Charity-Oriented
EM11	SMEs	Charity-Oriented	SA11	SMEs	Charity-Oriented
OM8	PLCs	Charity-Oriented	SA12	SMEs	Expanded
OM9	PLCs	Semi-Integrated	SA13	SMEs	Charity-Oriented
OM10	NGOs	-	SA14	SMEs	Charity-Oriented
OM11	PLCs	Charity-Oriented	SA15	SMEs	Semi-Integrated
OM12	NGOs	-	SA16	NGOs	-
OM13	PLCs	Expanded	SA17	GOs	-
OM14	GOs	-	SA18	PLCs	Semi-Integrated
OM15	PLCs	Charity-Oriented	SA19	PLCs	Expanded
OM16	PLCs	Semi-Integrated	EM13	GOs	-
EM12	SMEs	Charity-Oriented			
Total		Charity-Oriented	24		
		Expanded	15		
		Semi-Integrated	11		
		Integrated	5		

APPENDIX 36 – CSR CHARACTERISTICS OF FAMILY-OWNED ENTERPRISES

Table 36.1: CSR Characteristics

Respondent	CSR Mode	Accounting	Reporting	Zakat	Niyya	Impact of Family Values on Organisational Culture
OM4	Charity-oriented	No	No	Yes	Yes	Yes
OM15	Charity-oriented	No	No	Yes	Yes	Yes
SA11	Charity-oriented	No	No	Yes	Yes	Yes
SA14	Charity-oriented	No	No	Yes	Yes	Yes

APPENDIX 37 – IMPACT OF NIYYA ON ACCOUNTING AND REPORTING OF CSR

37.1 – List with Organisations Influenced by Niyya

Respondent	Comment	Reporting/ Accounting on CSR
OM8	<i>“The intention of your decision and actions is what really counts. You will see that in many companies here in the region. They invest a lot of time and efforts and money but this information is not shared with the public”</i>	No
OM11	<i>“Some corporate they do activities and events and then they don’t want anybody to know about it. Some others do it and they want to show the result because they want others to do the same. If you are doing it with niyya, you should not brag about what you have done. We are part of the first group.”</i>	No
OM15	<i>“Some of the large companies like ours do not set themselves with metrics. If you go on our website you will find a description on what our CSR is, but that’s it – we don’t disclose any other information or financial data.”</i>	No
OM23	<i>“Getting the organisations to articulate the boundaries of the CSR initiatives and the metrics associated is a really foreign concept. It’s almost I think the perception is ‘bad’, because we don’t do it. Creating metrics is a bad thing. The perception is you just do this and you do it no matter what.”</i>	No
EM9	<i>“we can’t measure it, we can’t really say ‘this is what we do’, we can’t put metrics on it”</i>	No
EM11	<i>But that CSR is not out, it’s not published, none knows about it and now this is the challenge with the organisation – this is not published so the public would know”.</i>	No
EM17	<i>“It’s difficult to measure that. How can you measure your contribution to society? You cannot. You cannot put value, number of what you give to help people and improve their live. This is not supposed to be your intention.”</i>	No
EM18	<i>“People here believe that conversations, discussions and bragging about money is inappropriate and sign for bad manners”</i>	No
SA14	<i>“I think the reason for that is because being charitable is such a strong belief system, that we don’t talk about it. It’s almost bad to talk about it with people. You don’t go around and tell them how much you take care of other people, it’s almost the opposite here, we don’t talk.”</i>	No

APPENDIX 38 – RELEVANCE OF THE CATEGORIES TO CORE CATEGORY ONE – OPERATION OF CSR

**Table 38.1 – Categories and their Relevance to Core Category One –
Operation of CSR**

Category	Relevance to Core Category One
1.1	Operation of CSR depends on the level of institutionalisation, CSR vision and objectives of organisations. Their vision and objective shape how CSR will be institutionalised and operationalized.
1.2	This Category demonstrates the operational dimensions of CSR as result of the interdependence identified in these three factors – institutionalisation, CSR orientation and attempt for SVC of the CSR initiatives.
1.3	The interdependence here identified the financial operationalization with regard to CSR orientation.
1.4	CSR is operated in a manner that corresponds to environmental factors and institutionalised stakeholder needs
1.5	The perceptual dimensions of CSR hold by respondents affect the practical operation of CSR with regard to ‘giving’
1.6	Non-institutionalised form of CSR primarily associated with donations and charities
1.7	Expanded CSR conducts CSR in a manner that attempts to have broader operational dimensions and focus
1.8	Highly institutionalised form of CSR that operates with a broader scope of stakeholders and initiatives
1.9	CSR is operated in a strategic manner
1.10	Operating CSR driven by family values
1.11	Conducting CSR accounting and reporting operations in accordance with Islamic values

APPENDIX 39 – ISLAMIC PLATFORM FOR CONDUCTING CSR

Table 39.1: Islamic Platform for Conducting CSR

Practical Dimension	Principle
Considering supporting the community as a moral obligation: <i>“Giving back to community and supporting them is part of our DNA. It’s our moral obligation.”</i> (SA1)	Taqwa
Supporting less privileged people Considering supporting the community as a moral obligation: <i>“We give a specific amount of money, called zakat to local communities as part of our CSR initiatives. It’s a must for us, it’s part of our nature to help people in need.”</i> (OM7)	Zakat
Feeling of solidarity Considering supporting the community as a moral obligation: <i>“The next pillar is sawm, that encourages solidarity with less privileged people. Being one of the pillars of Islam gives it a mandatory nature for us.”</i> (OM8)	Sawm
Intention: <i>“The reason why you give to people will determine whether God will accept your act of giving”</i> (OM1)	Niyya
Sincerity and transparency: <i>“God will accept your acts of giving only if they are did sincerely”</i> (SA7)	Ikhlas
Value of humanity and sympathy for others Community support: <i>“We don’t live in isolated community, you cannot simply ignore what is happening in your neighbourhood, with your neighbours, you cannot ignore their pain. The virtue of sympathy is important for CSR in our organisation.”</i> (OM21)	Insāniya
Community support: <i>“Sadaqah requires and motivates us to give to those in need”</i> (OM9)	Sadaqah
Putting others before yourself Community support: <i>“We devote our time, resources and knowledge to help our community”</i> (SA19)	Itar
Fulfilling obligations: <i>“We aim to build strong relationships with our community based on strong values and morals”</i> (SA7)	Amanah
Equality among people: <i>“People should be treated equally in organisations, especially when you work with people coming from different backgrounds, cultures, religions.”</i> (SA12)	Adl
Donations of assets for community service: <i>“In fact CSR exists here for generations, for centuries but in different forms. This in Arabic is called auqaf.”</i> (SA5)	Auqaf
Knowledge sharing: <i>“A person who walks in the path of knowledge is walking on the path of Heave”.</i> (OM10)	Ilm
Helping and supporting community: <i>“if you help for the development of that one person then perhaps you will help for the development of the whole society “</i> (OM10)	Tazkiyyah
Environmental care: <i>“We believe that the nature has been given to us by God and as such is our moral duty to protect it”</i> (EM6)	Emara
Working as a form of worship: <i>“I am seeking excellence and beatifying something and doing something in the best ways possible.”</i> (OM16)	Ehsan

APPENDIX 40 – SORTING MEMO VII

Table 40.1 - Sorting Memo on “Motivations to involve in CSR”

The category indicates two sets of motivations – personal and organisational to involve in CSR.

On a **personal level**, respondents involve in CSR due to:

- Influence of religion – ethical character
- Feeling of being obliged to give back to community
- ‘Feeling good’ factor
- Willingness to support young people
- Willingness to supporting the government in their country growth objectives

Corporate motivations:

- Altruistic desire to support community
- Investing in the future of the country
- Build a strong brand equity
- Attract customers
- Stand out from the competitors

Islam was identified as the major motivator for local companies to involve in CSR.

Religion has impact on individuals and their decision-making capabilities. Being part of the executives at an organisational level, these individuals and their inner beliefs and morals shape organisational CSR commitment. Thus religion indirectly affects organisational behaviour. That consequently impacts on the CSR practices that will be offered on external and internal organisational level.

APPENDIX 41 – SORTING MEMO VIII

Table 41.1 – Sorting Memo on “Impact of Islam”

Sorting of memos led to identification of multilevel impact of Islam. The influence of Islam is not limited within the boundaries of a religion and it has to be viewed as an inseparable practical dimension that has application within business as well. Respondents agree that Islam is the main driving factor for local business to involve in CSR but its importance and enormous impact on CSR in the region goes far beyond being a motivator. In general Islam play the following crucial roles for CSR development in the region:

1. Main driving factor and motivation to work with CSR (SA1; OM3; OM7)
2. Impacts on the way business and stakeholders perceives CSR (OM3; EM8; EM11; SA2)
3. Impacts on the CSR initiatives to be implemented (SA6; SA12; EM3; EM11)
4. Impacts on the scope and focus of these initiatives (mainly community) (EM12; OM1)
5. Impacts on CSR orientation (SA4; OM1)
6. CSR accounting (EM; EM9)
7. CSR orientation (SA3; OM8)
8. Institutionalisation of CSR (OM11; OM17)
9. Reason why CSR exists in the region (EM5; EM8; OM13; SA8)
10. CSR becomes a way for Muslims to cover their religious duties and ensure afterlife – *hazanat* (SA12; SA15; SA19; OM24; EM20)

Importance of Islam is institutionalised and can be seen in many different aspects – from public and business life to personal level. CSR is not an exception and respondents are certain that CSR would have had different shape and structure if Islam was not present in the region:

“If Islam was not there, in the Arab countries I think they would react to CSR as the foreign companies. If there’s no Islam, the interest would be less than the current of the companies” (SA4)

What currently is perceived as a CSR in the Middle East has been part of local tradition centuries before the introduction of CSR on local market. The statement made by OM1 confirms that:

“the way CSR is perceived is not necessarily a new concept it's just being institutionalised here. The reason I said it's not a new concept here is within Islam there are certain principles, values and virtues that you follow as a Muslim, individual or entity, or company, or environment that have certain values that push against the idea of understanding your impact and giving back to society both. I think Islam is probably the reason why every companies or majority of the companies already have an acceptance of the idea that they have to give back, it's just the idea how you give back, and what is the framework within which you are working to give back and how do you make this the best way to give back”

These words demonstrate in a very elegant manner the impact points made above.

APPENDIX 42 – IMPACT OF HAZANAT

Table 42.1: Impact of Hazanat on Ethical Character and Organisational Motivations to Implement CSR

Respondents' Comment	Impact
<i>"A good Muslim is someone who always tries to get hazanat – to do good things, so he can get hazanat so when hazanat is good enough we enter the Paradise. This is the good Muslim. The good Muslim always tries to do good things." (SA5)</i>	Ethical character and motivations
<i>"There are some regulations we have to obey but there are some other kinds of option we do enter, they are not obligations but it would give us hazanat, it would be a way to be close to satisfaction of our God." (OM10)</i>	Ethical character and motivations
<i>"Yes, for anyone who works on helping others, I mean for our religion, that would give you hazanat, if Allah accept that effort, it will be considered as hazanat. At the end what is our vision in this life? Our vision is to reach to Paradise at the end, in our belief this world that we are living in is just a temporary world. The real world at the end inshallah where we can be in the divine which is staying home forever, which is the ultimate goal." (EM15)</i>	Ethical character and motivations
<i>"So the real reason why we are here is to show God how we are doing enough to satisfy him by doing the good things. Look at the religion of Islam – it organises EVERYTHING (emphasises), it says you have to do this – it's good for the family, for the kids, for the society for the wife, for the house, for everything, so it's incredible system of life! This is Islam and this is how you obtain hazanat! So what we do in this life, every Muslim is trying to satisfy Allah, this is the real Muslim who tries to understand why we are here." (EM19)</i>	Ethical character and motivations
<i>"So, to answer your question, yes of course! Doing CSR, helping people, developing education, social, charity organisations, all these good things, will provide us with hazanat inshallah and will help our deeds to be accepted by God, our efforts so we can be in our hazanat and kiamandei, which is the day of the end of the world. So yes, it's a big motivation" (OM24)</i>	Ethical character and motivations
<i>"Of course it is a great motivation! When you do good things like</i>	Ethical

<i>building orphanages, helping schools, building roads, hospitals and etc, your actions will be rewarded with hazanat. That helps you to please God and eventually enter the Paradise.” (SA8)</i>	character and motivations
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APPENDIX 43 – RELEVANCE OF THE CATEGORIES TO CORE CATEGORY TWO – ISLAMIC CSR

Table 43.1 – Categories and their relation to Core Category Two – Islamic CSR

Category	Relevance to Core Category Two
2.1	Islamic principles provide normative foundation upon which specific CSR activity in the examined organisation is conducted
2.2	Islamic affiliations were identified as impact on organisational behaviour with regard to ethical decision-making
2.3	Islamic affiliations impact and exert pressure on organisational motives and intentions to conduct CSR
2.4	Islamic affiliations were identified as contributing to positioning organisational focus on specific scope and form of CSR commitment
2.5	Islamic affiliations exert pressure on organisational behaviour and decision-making as that affects the shape and form of CSR organisational commitment and initiatives
2.6	Driven by Islam, organisational CSR commitment has pro-community orientation

APPENDIX 44 – INSTITUTIONALISATION IN THE EXAMINED ORGANISATIONS

Table 44.1: Phases Followed by Sample Organisations to Institutionalise CSR



Step 1 - Research	1. Assessing stakeholder needs via focus groups
	2. Using services of a business consultant
Step 2 – CSR agenda development	3. Define areas of CSR commitment
	4. Formulate a CSR plan
Step 3 - Funding	5. Using budgets (conventional or zakat money) to support CSR initiatives
Step 4 - Implementation	6. Implementing CSR
Step 5 – Review	7. Accounting and Reporting
	8. Measurement of Impact
Step 6 – Continual development	9. Revise CSR plan, improve performance and prepare for next phase

APPENDIX 45 – CASE STUDY I

Table 45.1: Case Study for Charity-Based CSR Approach in the Middle East

Company A is listed on Oman Securities Market. The company is a leading organisation in the banking and finance sector with multiple branches in the Sultanate. Company A has been among the most active organisations involved in socially inspired and socially oriented CSR initiatives in the country. In Company A CSR is seen as a pro-community oriented external business practice that aims to contribute for improving economic and social conditions of local community. Company A is particularly active during national and religious celebrations when corporate employees distribute financial aid and food supplies to people in need as part of organisational CSR practices. The bank is also involved in volunteering in community institutions (orphanages and retirement homes), and participation in environmental initiatives (cleaning beach areas). The bank is implementing non-institutionalised CSR practices as there is no dedicated CSR department for that purpose. Decisions for CSR commitment are being taken on the basis of assessing the employees' areas of interest. Their areas of interest serve as a basis for CSR commitment. CSR is perceived as an instrument for social involvement that is not related to organisational strategic objectives. Organisational CSR projects are externally focused – targeting community needs on which the bank aims to provide a CSR response. Moreover, Company A applies CSR in a non-systematic manner – there is a random form of community involvement usually during national and religious holidays. Strategic approach towards CSR is also not evident since the CSR objectives of the bank are not based on organisational core competences or long-term corporate objectives. Therefore, if Company A succeeds to deliver social value it would have a short-term impact since organisational CSR commitment is focused on a particular problem that exists for a limited period of time. CSR communication occurs on internal level via Intranet and emails. Measurement of CSR impact is not evident. The company supports its CSR practices by collecting employee donations and by operating with a specific CSR budget. Community and more precisely young people are considered as the most important stakeholder group with regard to CSR operations. CSR is not regarded from a strategic perspective and as such is not aligned with marketing objectives and financial goals of the organisation.

APPENDIX 46 – CASE STUDY II

Table 46.1: Case Study for Expanded CSR Approach in the Middle East

Company B is a Saudi Arabian bank with a leading role in the sector. The bank is among the most active organisation in the CSR field in the country. CSR here is perceived as an instrument for bringing positive social change for local communities. Company B ensures its social commitment by designing and implementing initiatives ranging from distribution of financial support and food during religious and national celebrations, to maintenance and support of local schools, students, art and sport initiatives. Their broad CSR portfolio has an external focus and is not based on organisational core competences. Local community is the primary and only beneficiary of the bank CSR activity. Other stakeholder groups are not considered subject of CSR. The bank is conducting CSR in a semi-institutionalised manner – through their corporate communications department. The head of corporate communications holds the responsibility for the design of the CSR agenda while his team, composed by three officers, is responsible for the implementation of the program. CSR is not aligned with the corporate or strategic objectives of the bank. CSR is designed around community needs that are assessed as result of focus groups. Assessment here is designed around evaluation of external environment, external stakeholder (community only) needs and demands. Measurement here has quantitative dimensions (amount of money donated and number of volunteers participating in a particular initiative). Strategic approach to CSR is not evident as CSR is viewed as community-related practice that is not part of core business operations and competences. Thus, CSR is not associated with financial or non-financial benefits for the bank. Value creation is externally focused and has social dimensions. CSR commitment here is short to long-term and that creates preconditions for more sustainable social impact. That is particularly evident in their educational initiatives.

APPENDIX 47 – CASE STUDY III

Table 47.1: Case Study for Semi-Integrated CSR Approach in the Middle East

Company C is an Omani PLC involved in multiple sectors of activities ranging from food industry to construction and energetics. The company is focused on providing sustainable development to local communities by engaging in systematic and non-strategic forms of CSR. Company C takes into consideration various groups as part of organisational CSR activity such as community, employees, environment and government. Yet community (youth) is considered as the most important group as part of organisational CSR commitment. As such Company C invests significant resources in educational and entrepreneurship development initiatives. Despite that these practices are not related to organisational core competences, Company C invests in young people in order to provide them with the opportunity to initiate their own business. CSR is operated in an institutionalised manner with head of corporate sustainability that is responsible for the CSR agenda development of the organisation. Organisational CSR strategy is designed around targeted audiences and their needs and expectation. The organisation is also working in close cooperation with the Omani government and supports governmental initiatives for social, youth and women empowerment. The organisation is also supporting its employees as part of CSR by providing educational, training and professional development initiatives. With regard to the environment, Company C invests in recycling and aims to decrease the negative environmental impact of its operations. CSR is applied systematically by following a specific CSR agenda that sets the general view and objectives of the organisational CSR commitment. Measurement of CSR occurs every 6 months by following qualitative and quantitative criteria. CSR is perceived as a tool for community development but in the same time social welfare is regarded as a joint effort between private sector and government. Company C is engaged in long-term CSR objectives and vision that aims to make sustainable contribution to local communities. These efforts result in a positive social impact that is mainly derived from the organisational entrepreneurship and educational practices. Strategic focus or expectations for direct or indirect marketing benefits are not evident and are not a driving factor for CSR commitment. However, in the same time, there is a good awareness that organisational CSR efforts contribute to building a positive reputation among community.

APPENDIX 48 – CASE STUDY IV

Table 48.1: Case Study for Integrated CSR Approach in the Middle East

Company D is a listed company on Dubai Stock Exchange market. Having a leading global role in its corresponding industry, the company is also dedicated on contributing for development of local communities. Currently, the organisation has CSR initiatives and projects in 70% of their global branches. CSR is viewed as an instrument for bringing positive social, economic and environmental impact to their surroundings. Company D sets up CSR objectives that aim to empower, transfer knowledge, improve infrastructure, and enhance living conditions of local communities. The company operates with well institutionalised CSR practices governed by a dedicated CSR council and a CSR team. Moreover, through their CSR function, they aim to establish mutually beneficial partnerships with various stakeholder groups by focusing on seven CSR pillars - community development, education and youth empowerment, entrepreneurship, sports, emergency relief, environmental commitment. In the same time, Company D is dedicated on investing CSR efforts in its employees, customers and business partners. Company D assess local community's needs, by holding meetings with members of the community and local NGO's. Moreover, Company D are committed to spending a minimum of 1% of their pre-tax profit on social projects, excluding their spending on environmental investment and expenditure. Company D adheres to the principles of the UN Global Compact, Caring for Climate, the World Economic Forum framework on pollution in their particular industry, Social Accountability 8000 and the International Labor Organization's convention. CSR is reported and accounted annually through their sustainability reports and internally through Intranet and internal email system. Organisational CSR practices are based on business competences. They believe in responsible, sustainable practices that not only ensure their economic and global growth but also facilitate social and economic development of their stakeholders. Organisational CSR commitment is long-term and is regarded as a tool for establishing partnerships with local communities in order to strengthen their positions on the global market. As such CSR is approached in a systematic and strategic manner based on the organisational business competences and objectives. Social involvement is a continuous process with measurable and sustainable results that lead to positive social and strategic impact. That leads to shared value creation for the organisation and for the benefit of the organisational CSR efforts.

APPENDIX 49 – ISLAMIC PLATFORM FOR CONDUCTING CSR

Table 49.1: Islamic Platform for Conducting CSR

Theological Level	Principle	Explanation	Example
	<i>Taqwa</i>	<i>Taqwa</i> is described as one of the ideal ethical values of Islam as it represents piety and fear from God in terms of protecting oneself from displeasing God.	<i>Taqwa</i> gives CSR practices obligatory role for every Muslim in order to live a life based on God's commands: " <i>For us being socially responsible is a must</i> " (OM1)
	<i>Zakat</i>	<i>Zakat</i> as one of the pillars of Islam indicates mandatory giving of 2.5% of one's assets to the poor and needy	<i>Zakat</i> as a practice motivates Muslims to participate in donations and support of people of need while the philosophy behind <i>zakat</i> and the idea that one is obliged to support less privileged predisposes to high interest in CSR practices: " <i>Zakat is a reminder that there is amount of money which you have to give out and people who need it</i> " (OM7).
	<i>Sawm</i>	<i>Sawm</i> as one of the pillars of Islam indicates fasting and self-control during the month of Ramadan	<i>Sawm</i> encourages solidarity with less privileged people: " <i>the concept of fasting which is a part of being socially responsible indicates solidarity to the poor or the needy.</i> " (OM8)
	<i>Niyya</i>	<i>Niyya</i> was broadly explained in Chapter 5. The principle of intention behind one's actions is applicable here too.	The intention behind one's deeds is important for the recognition and acceptance on one's deeds: " <i>Sometimes you don't even do the activity but if you had the intention of doing it, per example I want to go to hajj, but then something happen and I cannot go to hajj, but I really wanted to go. Then it will be counted as if I wanted to go.</i> " (OM7)

Morals	<i>Ikhlas</i>	Islam requires keeping promises and sincerity in the acts and words. God accepts only those deeds performed with sincere <i>niyyah</i> .	Sincerity is a key Islamic virtue having implications in every aspect of life: <i>“Being able to be sincere as a virtue. One of the things that the Prophet Mohammed said in the Hadith ‘if you would do something, then do it sincerely’. I can do anything but it matters how we do it, sincerely.”</i> (SA7)
	<i>Insāniya</i>	This concept indicates humanities and sympathy towards the needy.	This concept finds practical application as encouraging <i>“feeling for others, understanding their pain, it’s more of having sympathy for others. There’s value of humanity.”</i> (OM21)
	<i>Sadaqah</i>	<i>Sadaqah</i> encompasses any act of giving out of compassion, love, friendship, religious duty or generosity. It is a broad concept that predisposes to development of a high moral virtue and ethics in every aspect of daily practice.	<i>Sadaqah</i> impacts of the way Muslims deal with every aspect of life. With regard to CSR practices <i>sadaqah</i> predisposes to generosity and community support: <i>“We call it attar or sadaqah. This is one of the main values of the religion and this motivates us to give to those in need”.</i> (OM9)
	<i>Itar</i>	Putting others before yourself and giving others before giving to yourself.	This principle predisposes to deep altruism: <i>“One value I practice every day is called Itar in Arabic and it means to put someone before yourself. It’s also incorporated in our work – we put people before ourselves. We give our time, money, efforts, brains, hearts for this work and for them.”</i> (OM10)
	<i>Amanah</i>	The Islamic requirement for fulfilling or upholding trusts - <i>amanah</i> indicates a moral responsibility of fulfilling one's obligations.	Trust is necessarily in building strong community based on high morals and virtues: <i>“We are responsible to be ethical in our deeds, with our customers, investors, the general public and society, our neighbours, everyone. It’s part of our ethics. We call it amanah.”</i> (SA19)

Norms	<i>Adl</i>	The principle of justice based on the belief that all people are equal and should be treated with dignity and respect.	This principle of divine justice leads to establishment of relationships between people based on fair treatment and equality: <i>“When you work in environment like in our organisation where we have a high percentage of expats mainly on operational level, you have to do everything possible to avoid any potential discrimination based on gender, ethnicity or religious affiliations.”</i> (SA12)
	<i>Auqaf</i>	<i>Auqaf</i> as an integral part of the Sunnah and the foundation on which the Islamic socio-economic development model was built. <i>Auqaf</i> is a voluntary act of charity that comes under the general terms of <i>sadaqah</i> and <i>infaq</i> where a specific asset (<i>waqf</i>) that is being donated, bequeathed, or purchased for the purpose of being held in perpetual trust as on-going charity (<i>sadaqah jariya</i>) or for a specific cause that Islam regards as socially beneficial.	This principle predisposes to donations of assets for community service: <i>“In fact CSR exists here for generations, for centuries but in different forms. This in Arabic is called auqaf. Auqaf means when somebody designates an amount of money put it aside for a land or a building and say ‘I give this land or building for good for people. I have assigned a board of trustees to manage this fund and this one would be used only for good uses’... For instance last year we have donated land in Egypt for education that will be used for this people forever. Nobody else can possess the land because the land is used for people.”</i> (SA5)
	<i>Ilm</i>	One of the distinctive features of Islam is its emphasis on knowledge. Muslims are strongly encouraged to seek and acquire knowledge and wisdom.	<i>Ilm</i> impacts on perceptions one would hold regarding importance of knowledge, seeking and sharing of knowledge: <i>“Prophet Mohammed, one of the things he says is ‘a person who walks in the path of knowledge is walking on the path of Heaven’. It’s so sacred to learn in Islam and to develop, it’s very, very important so that’s exactly what we are offering for the people as well, so we offer them a chance to learn, to develop, you know, knowledge should never be underestimated”.</i> (OM10)

<i>Tazkiyyah</i>	Shari'ah law is based on the principle that individuals depend on other individuals and as such contributing to common good and community development is a duty of every devoted Muslim.	Helping and supporting community is highly emphasised: <i>"There's a saying of the Prophet that one person is a very valuable person, very valued element of the society and we should never underestimate that and if you help for the development of that one person then perhaps you will help for the development of the whole society and that's exactly we are aiming to do."</i> (OM10)
<i>Emara</i>	This principle requires environmental care and protection as a way to demonstrate respect of God's blessings.	Taking care of the environment is a form of expressing gratitude and appreciation: <i>"Emara is land cultivating or building up or growth, where you will try to cultivate and to correct whatever is wrong, try to be good on the land, whether it's by planting a tree, taking your waste, environmental issues that goes to humanitarian issues."</i> (EM6)
<i>Ehsan</i>	<i>Ehsan</i> can be explained as seeking God's pleasure and working in a way as if one is being observed by him. Then work becomes a form of worshipping.	This principle prepossesses to excellence (<i>alfalah</i>) and discipline while performing a specific activity: <i>"I am seeking excellence and beatifying something and doing something in the best ways possible. So if it was to actually give out, you will do it in the best way possible; you won't just give leftovers, but I am trying to give in the best way possible to show that I am trying to fulfil this religious requirement for excellence"</i> (OM16)